Pulpwood Prodigality (Page 11)

THE FINANCIAL POST

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The Nation's Business

- The Privacy of Income Tax Returns
- Is It Bad Precedent That Is Now Set?
- Hepburn and Rowe The Spoils System
- Balancing of Budgets
- Farm Lending By Provinces

Income Tax Secrecy Is Now Conditional

PUBLIC disclosure of Canadian Cottons Ltd. income tax figures by C. Fraser Elliott, Commissioner of Income Tax, at Ottawa this week, raises a question of far-reaching importance to every Canadian taxpayer, whether corporation or individual. Heretofore income tax returns have been inviolate even to Parliament and, in respect to public demand, the utmost secrecy has shrouded every stage in the filing and maintenance of these records.

Now Justice W. F. A. Turgeon has ruled that his Textile Commission was instructed to obtain profit figures of Canadian textile companies and that since these profit statements have been shown to be misleading, on account of secret inventory reserves, it is necessary to obtain corrected income tax figures to get a proper picture.

No ruling has been issued by the Minister of National Revenue as to his position in this matter, but since Mr. Elliott has appeared officially before the Commission, it is presumed the department is accepting the viewpoint of Justice Turgeon, namely that publicity is necessary where fraudulent or improper returns have been disclosed.

* * *

POSSIBLY the public will not object very much to the view that income tax secrecy should be conditional upon a company playing fair with its returns. But the danger in such a ruling lies in the precedent it sets for subsequent Royal Commissions who may proceed one step farther and declare that they are entitled to demand information from the income tax branch in the future without first proving that fraud or impropriety has been committed. Then members of Parliament would demand production of individual returns in the House. Soon there would be no privacy at all in anyone's affairs.

It is important that the Minister of National Revenue, either now or when Parliament convenes in January, make the position of the department extremely clear and take legislative steps (if necessary) to protect the privacy of income tax returns of honest citizens and corporations even from Royal Commissions.

* * *

The Spoils System In the Provinces

THE suggestion that Ontario should adopt the British civil service system is the most constructive proposal made to date by Hon. Earl Rowe, new leader of the Ontario Conservative party. It is a suggestion for all the provinces to consider.

Mr. Rowe recently stated that when a government under his leadership assumes office, "loyalty to the interests of the province and not a political party will reap its just reward."

This is something that The Financial Post has been advocating for years. Political patronage has ruled in the provinces too long.

A primary reason for inefficiency in provincial government services in Canada is the spoils system. Private business could not possibly operate efficiently under a system where a large part of its staff changed every few years, and neither can governments.

* * *

GOVERNMENT is the most important business of the citizens. It handles many millions of dollars annually. Its actions have a very direct effect on each and every citizen. On its efficiency depends the reduction or increase in taxes levied. For such a task the best brains in any province should be available, and not political parasites.

The strength of public opinion in support of his proposal will determine whether Mr. Rowe is able to carry it through. The opposition to it by political job seekers among his supporters will be great. It is gratifying to see evidence of public support even in Liberal circles.

G. W. Peters, president of the University of Toronto Liberal Club, in a published letter, has hailed Mr. Rowe's proposal "as a great step forward in the political life of the province." Much more of this kind of support is needed. This shows that young men in politics do not like the spoils system. They want to serve their country through better agencies.

Mr. Peters states that there would be more confidence that this reform would be carried out if Mr. Hepburn could also be induced to take a firm stand along similar lines. If the two leaders acted together they would be strong enough to suppress the office seekers in their respective

(Continued on page 2, col. 3)

Smelters Report Deepens Mystery Of Chibougamau

Meagre Data Fail to Confirm or Deny Other Reports

WHAT'S STOCK WORTH?

BY WILFRID SANDERS

Some 300 miles northwest of Montreal is an area of bush, rock and lake which for 30 years has been one of the greatest enigmas in Canadian mining.

Since 1903, the Chibougamau district, covering approximately 100 square miles, has been known to contain favorable indications of copper and gold ore. Today, after more than a quarter of a century of mining efforts, Chibougamau still remains an unknown quantity.

A few days ago, a statement was issued by the biggest operator, in the field which has only intensified the Chibougamau mystery, and has stirred a storm of controversy among mining men. One firm, perhaps half a dozen men, have the clue to the mystery, and all these men are employed by Consolidated Mining & Smelting Co.

Smelters entered the Chibougamau picture in Sept., 1934, by optioning control of Consolidated Chibougamau Goldfields. Smelters is a company with tremendous resources, and capable engineering staffs. If any company in Canada could whip a property into shape in short order, it should, theoretically, be Consolidated Mining & Smelting Co.

But today, over two years after Smelters first started developing the property of Consolidated Chibougamau, a report has been issued which is so lacking in detail as to be virtually of little use in estimating the value of the work done so far by this large concern.

The report shows the following veins, which, it states, "would be commercial in a large scale operation."

"Ore" Lengths

Vein	Length, Ft.	Aver. Width, Ft.
204	189	2.1
209	6	2.1
210	140	3.8
215	173	3.7
219	173	3.7
404	120	1.9
416	27	2.4

This gives a total length of 828 ft. with an average width of only about 2.8 ft. No indication of the depths to which these ore bodies have been proved is given. Assuming, however, they have been proven to the 500-ft. level, which is probably optimistic, this would give a total of 1,159,200 cu. ft. of ore, or roughly about 96,600 tons. Smelters report mentions large scale milling. At 500 tons per day, this tonnage would last a mill less than six months.

This For $1 Million

This seems pathetically small when measured against two-year development by Smelters, not to mention the work done by former operators of the property, and against the expenditure of nearly $1 million.

What does the report mean by saying that the ore would be commercial in a large scale operation? The widths given are very narrow. Accordingly, the grade would have

(Continued on page 2, col. 1)

O'Brien Gold In High Grade

From Our Own Correspondent

MONTREAL.—Sharp advance in the value of O'Brien Gold Mines stock is explained by the official announcement that the high-grade ore found in No. 4 vein has been intersected at the 1,260-ft. level.

"Slashing to the west," says a company statement, "shows this high grade to continue, and would indicate not only downward continuity, but suggests a considerable lengthening out of the high-grade occurrence as compared with the levels above. Further development must await the completion of shaft sinking."

Higher Expenses Offset Federal Revenue Gains

From Our Own Correspondent

OTTAWA. — Federal revenues from taxation are over $40 millions in excess of last year's receipts at this time, but extraordinary drought expenditures and the need of writing off considerable sums from the drought advances of 1931-35 will largely if not wholly offset the gains in revenue, The Financial Post learns. There is little indication at the moment that the $100 millions deficit forecast on May 1 by Hon. C. A. Dunning will be reduced by any significant amount.

Though no sums were voted last session for the current drought expenditures, which could not be foreseen at that time, relief, food and fodder are being distributed in the affected areas, and recourse has been had to the issue of governor-general's warrants.

These expenditures will be shown in the books for 1936-37 and will offset to the extent of $10 or $15 millions the gains so far registered in national revenue.

The revision of debts in southern Saskatchewan, followed by similar measures in Alberta and Manitoba, will compel a drastic revision of the Government loans made during the recent drought years. At the time these sums were advanced, they were regarded as loans which would ultimately be repaid and were classed as active assets. It will now be necessary to write off perhaps as much as $25 millions and add a similar amount to the national debt.

It is possible that a rising curve of business may produce in the last four months of the fiscal year even better revenue gains than in the first eight, proportionately, but at the moment the prospect is still for a budget which fails to balance—accounting for special as well as ordinary expenditure—by about $100 millions.

This factor is expected to have a rather sobering effect on any cabinet ministers who might otherwise favor ambitious re-employment schemes or grandiose national defense measures.

Ottawa to Study Inventory Reserves

At least three leading Canadian textile firms will be required to face federal income tax authorities in respect of inventory reserves, it was disclosed last week. The three firms are Dominion Textile Co., Wabasso Cottons Ltd. and Penmans Ltd.

Information as to reserves has been delivered to taxing authorities who will decide whether or not they are to be subject to additional penalties for failure to disclose their true position.

One additional firm whose books have not yet been scrutinized is Belding-Corticelli Ltd. In evidence some weeks ago, A. O. Dawson admitted this firm of which he is president also had undisclosed inventory reserves. It is assumed that after details of the reserve have been aired before the Royal Commission, they will subsequently be turned over to the income tax branch also.

View Troubles At Foundation As Temporary

Believe Well Was on Verge of Big Developments

From Our Own Correspondent

CALGARY.—Difficulties at the Foundation well in Turner Valley have somewhat curbed the enthusiasm which has prevailed during the past few weeks respecting Alberta oil prospects. The well was placed on a production test and appeared to be coming in as a crude oil producer when a bailer was dropped down the hole as well as about 3,000 ft. of cable. While the cable was recovered later, it may be weeks before the bailer is recovered and the well put on another production test.

Oil men point out, however, that the present difficulties are purely mechanical and the prospects for a strike at Foundation are as good as they were before drilling stopped. Crude oil is flowing through the heavy rotary mud in the hole.

Pending the results at Foundation, a number of companies have announced drilling programmes in the southwest fold of the valley. Acreage of Okalta Oils, Ltd., is to be the scene of particularly intensive development, several wells to be started simultaneously on this land. Fay Becker and associates of Calgary are starting a new well about 500 ft. south of the big Turner Valley Royalties producer and have made arrangements to complete the Richfield well, about 1,500 ft. south of T. V. R., work to start on Dec. 1. The same firm is drilling the Central Royalties well in the area and is continuing drilling against a heavy wet gas flow at the Renfrew Royalties well.

A production test is in progress at the New Valley well located on a structure east of Turner Valley.

Canada Cement Sells Lakefield Power Rights

From Our Own Correspondent

MONTREAL.—Canada Cement Co. has sold its power rights at Lakefield, Ont., to the Hydro-Electric Power Commission of Ontario. This latest acquisition of Hydro will form part of the Trent system.

No official information is available from Canada Cement Co. as to the rights or properties sold to Hydro, or the amount involved in the transaction. It is understood the transaction is relatively small.

FIGURES MAKE NEWS

Vincent Cyril Phelan, director of registration for the National Employment Commission, whose figures on unemployment released for the first time this week are being widely studied in all parts of the Dominion.

Mr. Phelan has been in the Civil Service 20 years. From 1919, and until he was loaned to the Employment Commission a few months ago, he was assistant to the director of the Employment Service of Canada. He has been president of the Civil Service Federation of Canada since October, 1928. Since 1929 he has acted as secretary of the advisory committee on Civil Service Superannuation. He was born at Park Hill, Ont., in Feb., 1899.

Highlights

Uncontrolled Trustees

Trail of financial disaster follows unrestricted, unsupervised right of individuals to act in trustee capacity in Ontario. Page 10

"The Globe and Mail"

End of morning newspaper competition in Toronto brings questions of personnel and industrial relations into focus. Page 11

Home Loans

Many Canadian companies with public investment interest will share in benefits of winter programme of home modernization. Page 13

Tipsters Active

Loopholes in Ontario securities regulations seized upon by telephone share pushers to peddle doubtful mining stocks. Page 18

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Pogue's "200-Mile" Carbureter Being Secretly Tested in Ontario

Carefully Guarded Car Reported to Show Over 200 Miles on Gallon of Ordinary Gasoline

MAY AFFECT OIL COMPANIES

Wide Interest Manifest in Investment Quarters Over Possibilities of Revolutionary Invention — John E. Hammell Lends Aid

By THOMAS C. THOMPSON

New tests of an improved Pogue "mystery carbureter" are now being made somewhere in Ontario in close secrecy and under heavy guard in a laboratory set up by John E. Hammell, noted Canadian mining man. The tests are being made in an effort to confirm independently the claim of the carbureter's inventor that it will drive an automobile 200 miles or more on a gallon of ordinary gasoline.

As a result, the world either stands on the threshold of a sensational and revolutionary industrial development . . . .

Or, 38-year-old Charles Nelson Pogue, Winnipeg inventor of the "Pogue carbureter" is destined within a few weeks to go down to posterity as an alchemist of 1936, no more successful than those who sought to transmute base metal into gold and develop power from perpetual motion.

Whether Pogue is a genius or failure will be determined by the result of tests now being made with an inconspicuous automobile, travelling back and forth on tree-lined highways of Ontario. Installed in the car is a Pogue carbureter which has already enabled the test car to travel more than 200 miles on a gallon of gasoline.

Large Industries Affected

If his 17 years of experiments are successful, automotive, airplane and gasoline-powered machinery industries will be vitally affected; the world's greatest oil and gasoline companies may suffer, millions of workers directly involved and the investments of other millions given a new valuation by the possibility that 200 or even 400 miles can be obtained by the use of one gallon of gasoline in a Pogue carbureter-equipped motor vehicle.

Intimately associated with the present stage of experimentation and development of the Pogue carbureter is John E. Hammell, famed in Canadian mining circles for his pioneering efforts and financial daring.

He has given financial backing to the latest effort to prove the Pogue carbureter and the claims of its inventor, following attempts in Winnipeg to steal the carbureter from a poorly constructed shed where the initial experiments and construction were formerly carried on.

Seventeen Years' Work

Back in May of this year "Canadian Automotive Trade," a MacLean publication, printed the first, and incomplete drawing of the carbureter plans. Pogue told his story to H. C. Braund, editor of the magazine who went to Winnipeg to secure first-hand information of the new carbureter.

Pogue was reticent. So was W. J. Holmes, his Winnipeg backer, but Mr. Braund discovered that for 17 years Pogue had been working on the device and as far back as 1927 had succeeded in obtaining 75 miles to the gallon in road tests. From other sources it was learned that the new carbureter had given 25.6 miles on a pint of gasoline of ordinary grade and that speeds on the latter test varied from two to 70 miles an hour. One Winnipeg man drove a Ford V8, 1934 model, 216.8 miles on an imperial gallon of ordinary gasoline.

Through all the tests, offers for an interest in the device were refused by the inventor and his associate and they made it clear that the new carbureter would be marketed by themselves and no one else.

W. D. Herridge, former Canadian minister at Washington, is connected with the carbureter venture, as a member of the legal firm which has acted for Pogue in connection with patents and incorporation of Pogue Carburetor Co. Ltd., of Winnipeg. The company was formed last May under Dominion incorporation, with 500,000 common no par value shares. The capital may be issued for a consideration not exceeding $5 millions. Provisional directors were all barristers with the exception of Mr. Pogue and his Winnipeg backer, W. J. Holmes.

Carbureters Stolen

After word of the new invention spread, thieves broke into the experimental shed of Pogue's workshop on Whitehall Ave., Winnipeg, and two test cars were stripped of their carbureters, while another carbureter was removed from the premises. From that time onward extraordinary precautions were taken to safeguard the carbureter and its plans. Those stolen were not completed units, it is believed.

Meanwhile, the work continued although little information leaked out as to the progress of the experiments until the new tests in Ontario were uncovered. These are being conducted by Mr. Hammell and an engineering associate, Gordon Fefebvre, formerly an engineer with one of the largest automotive companies in Canada, and The Financial Post is informed that mileages of 200 or more per gallon have been obtained. The work has involved constant improvements and since the apparatus has to be made entirely by hand in the experimental stage, tests have required a considerable amount of time.

They are nearing completion, however, and the fate of the device may soon be determined.

Oil Companies' Position

What will happen if Pogue's carbureter, scoffed at by leading auto-

(Continued on page 2, col. 5)

CHAS. POGUE

JOHN E. HAMMELL

W. D. HERRIDGE

Eng. Electric Doing Better

Earnings May Eliminate $66,800 Deficit of Last Year

English Electric Co. of Canada has had considerable improvement in business this year and is expected to show a profit on operations. The management will regard the year as very satisfactory if the company is able to earn as much as the deficit which stood at $66,800 in last year's balance sheet. The company has not had a net profit since 1931.

The company has not completed all arrangements for the manufacture of incandescent lamps for which rights were acquired in 1935. It is expected, however, that operations in this field will be started in the near future. The company's plan is to make long-life lamps to sell at standard prices. The new line of "Barlux Tubelights" introduced by the company in 1934 have not proved particularly profitable so far.

It is understood the company's backlog of business is larger than for some years. Increased business has been received chiefly from industrial, mining and power companies, including equipment for the new plant of Ontario Paper Co. being constructed at Comeau Bay, Quebec.

This year's results are expected to improve the working capital position. Dividends are not expected on the 36,190 Class A shares, however, since this year's earnings will be absorbed by the deficit. The Class A stock is entitled to non-cumulative preferential dividends of $3 a share in any year before any payment is made on the Class B stock. And the A stock participates for another $1 a share with the Class B shares.

In 1935, the company had an operating loss of $27,076, and a net loss of $38,494 after charging salaries and other items. Depreciation charges of $40,000 brought the net deficit for the year to $78,494. This turned the previous earned surplus of $11,694 into a total deficit of $66,800.

Working capital was $551,374 last year compared with $646,376 at the close of 1934.

Ford to Expand Plant Facilities

Ford Motor Co. of Canada is preparing to spend $1.7 million in expansion and modernization of its manufacturing facilities at Windsor, Ont., it is announced by president Wallace R. Campbell.

The plan involves installation of $1.4 million in new machinery and an enlargement costing some $300,000 for the main manufacturing plant. Construction work will probably start about Jan. 1 and the enlarged plant should be in full operation within 1937.

Mr. Campbell comments: "Every indication points to better times ahead. To enable us to take advantage of the improved business which we envisage during the next few years it was necessary for us to increase substantially our manufacturing capacity."

Bank of Montreal Denies "Mail" Building Purchased

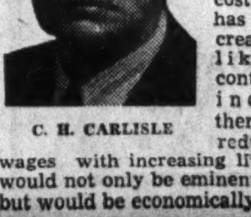
Officials of the Bank of Montreal deny the bank has purchased the old Mail and Empire building at the corner of King and Bay Sts., Toronto. When The Mail and Empire was acquired by The Globe last week, the building was not included in the transaction. It is now definitely on the sales block, however, and reports have circulated in Toronto this week to the effect that it had been bought by the Bank of Montreal.

Dominion Coal Co. Plans to Electrify Mines

From Our Own Correspondent

MONTREAL. — Dominion Coal Co. is reported to be planning electrification of all its mines. Work has started already on electrifying No. 11 mine and will be completed within three months.

Carlisle is Opposed To Low Wage Scale



C. H. CARLISLE

Editor, The Financial Post.

In your issue of Nov. 7 and 14 there appeared articles which might be construed as my having said I was in favor of reducing wages and advocated a wage of $2 per day. I made no statement, either publicly or privately, to this effect. The cost of living has been increasing and likely will continue to increase; therefore, the reduction of wages with increasing living costs would not only be eminently unfair, but would be economically unsound.

In speaking to a number of employees of Canada Bread Company at a dinner on Aug. 27 last, I did discuss briefly the matter of unemployment and a possible remedy, and also the purchasing power of our dollar. The misunderstanding of what I said was likely taken from a remark when I stated that the wage earner would be better off on a $2 a day average than that of a higher wage, if the $2 would purchase the same quantity and quality merchandise as the $4 or more would purchase, as the $2 rate would be a factor in lowering costs, in lowering selling prices, increasing sales, both in domestic and export, and thereby increasing production, and the increasing of production automatically increases the number of people employed in production.

While other countries may have an advantage of lower wages, we on the other hand have the advantage

(Continued on page 2, col. 3)

Relief Census Shows Jobless Rise in Cities

Twenty-two Communities Now Carry 63% of Relief Burden

NEW SURVEY MADE

That 63% of those on direct relief in Canada were concentrated in 22 leading Canadian cities is shown by the first report of the special registration of Canadian unemployed undertaken in September by the National Employment Commission. A year ago the corresponding figure was only 51.3%.

The September figures show 434,238 on direct relief in these 22 cities—a decrease of 6.41% from the same month in 1935 and 9.79% less than the Sept., 1934 total.

The cities included are those with 25,000 or more, exclusive of Moncton and Saint John, where grants from Ottawa to public works rather than direct relief are in effect. The figures include only direct relief where Ottawa and the provinces contribute and are applicable only to relief looked after in the first instance by municipal corporations.

Total Numbers of Persons of all Classes on Direct Relief*

	Sept., 1934	Sept., 1935	Sept., 1936
Nova Scotia:			
Halifax	10,127	6,400	6,695
Quebec:			
Hull	4,574	5,004	4,960
Montreal	158,903	168,237	160,872
Quebec	14,452	14,156	18,296
Sherbrooke	2,561	2,119	2,365
Three Rivers	6,858	5,628	5,667
Verdun	9,306	9,945	10,106
Ontario:			
Brantford	6,616	4,818	4,928
Fort William	1,949	1,878	2,215
Hamilton	24,956	18,337	16,577
Kitchener	3,303	2,923	2,425
London	6,674	6,130	4,816
Ottawa	16,392	18,903	16,367
Toronto	92,582	86,968	76,336
Windsor	28,161	23,816	20,961
Manitoba:			
Winnipeg	29,985	28,830	26,163
Saskatchewan:			
Regina	9,662	9,787	9,343
Saskatoon	7,323	6,052	5,303
Alberta:			
Calgary	9,664	9,435	10,034
Edmonton	8,495	8,118	9,273
British Columbia:			
Vancouver	25,765	23,580	17,717
Victoria	3,075	2,929	2,790
	481,383	463,995	434,238

*Analysis of persons in receipt of direct relief from urban municipalities of over 25,000 population, toward the cost of which the provinces and the Dominion of Canada contribute.

(Preliminary figures).

Wings Ltd. Plans Raise In Capital

May Double Authorized Shares — Quoted Around $2¾

Wings Limited, Winnipeg commercial air transport firm, is understood to be making plans for increase of its capital stock. The company's shares have been fairly active in trading between Toronto unlisted dealers, selling around $2.75.

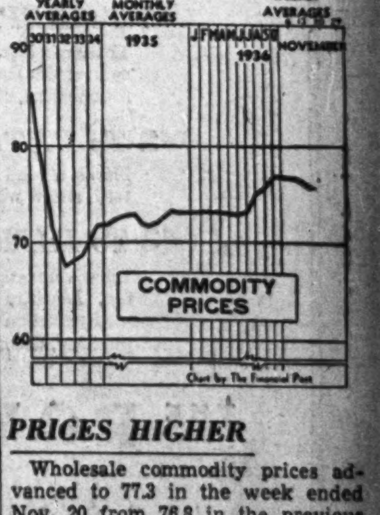
The present authorized capital consists of 200,000 common shares of $1 each, of which about 125,000 are outstanding. It is understood the authorized amount may be increased to 400,000 shares and that the outstanding capital may be doubled.

Additional Equipment

Additional shares are to be issued, it is understood, at prices slightly below the recent market value. The proceeds are to go to the company to enable it to increase its equipment, which now includes 10 airplanes. The company is a Dominion incorporation, so any public offering would require extensive prospectus information.

Although a complete financial statement is not available, it is reported earnings for a recent half-year period were some $50,000. The company operates commercial air service in northeastern Manitoba and northwestern Ontario mining areas, and anticipates increasing demands on its services.

President of the company is W. Roy Brown. M. A. Ashton, general manager, and another director, E. W. Stull, are both airmen. The fourth director is D. S. Ormond, Winnipeg barrister.



PRICES HIGHER

Wholesale commodity prices advanced to 77.3 in the week ended Nov. 20 from 76.8 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

MEN'S SHOP

BURBERRYS LTD
LONDON

OVERCOATS
by BURBERRYS

In the surpassing style and quality for which Burberrys have so long been famous.

The Men's Shop has a most extensive selection of the new Burberry overcoats for winter, 1936-37. We invite you to call and see them. Sizes from 35 to 44.

$55 and $65 each

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

Deepens Mystery Of Chibougamau

(Continued from page 1)

to be very high, or the mill capacity very great, to make such bodies commercial ore bodies.

In the face of such a report, why is the stock of Consolidated Chibougamau selling at around $2.60 per share? Why did it establish a high of $3.38 this year? Why, again, does Consolidated Mining & Smelting Co keep taking up its option on stock at as high as $1 per share? And again, why did Canadian Pacific Railway, which owns 51% of Smelters stock, and should know what is going on, seek authority to construct a railway line into the Chibougamau field?

The Financial Post is not attempting to estimate whether shares of Consolidated Chibougamau are worth present levels, or are worth a great deal more or less. The very fact that there is no authoritative basis for estimating the value of these shares, points to an unhealthy situation, a situation which only James J. Warren, president of Consolidated Smelters, can clear up.

"Outsiders" More Optimistic

Mining men of repute, who are acquainted with the Chibougamau field, and with Smelters operation at Cedar Bay, have expressed to The Post dissatisfaction with the latest report, and with Smelters' previous reluctance to supply sufficient information by which the public, whose money is being used in the development, may gauge the reasonable value of the stock.

Unfortunately, the hands of these men have been tied, The Financial Post understands, by an agreement made with Smelters at the time the latter company took over this operation. By this agreement, all progress reports on this company were to come from the Smelters office and from no other source. As a result, the wildest unofficial stories have been allowed to circulate about this operation. Reputable engineers who know the true situation decline to be quoted.

A Montreal mining engineer, who has been actively connected with the Chibougamau development told The Post last week that drilling and underground work had, to his knowledge, indicated six million tons of ore. The Post also learns from a usually reliable source in the United States, that engineers from a reputable American mining company had inspected this property, and had placed indicated ore at seven million tons, grading $15 per ton.

This source also stated these engineers understood after their visit that the shaft was to be continued to the 1,000-ft. level. This would, of course, imply that development above the 500-ft. level had been satisfactory enough to warrant such an outlay.

A Quebec mining paper estimated some weeks ago that excellent values had been secured over 29 ft. width, with possibility of commercial grade over 58 ft.

H. E. Corbett, mining engineer, stated in a petition presented to Hon. T. A. Crerar, Federal Minister of Mines, that "recent reports from Chibougamau indicate the discovery of another large rich copper-gold zone at depth by drilling."

This statement is understood to have referred to the zone mentioned in the last report of Smelters, which stated that "recent diamond drilling on the 500-ft. level south of the present workings indicate an ore body about 10 ft. wide, carrying good gold and copper values."

Is it New Ore Body?

It is not officially stated whether this is brand new ore body at depth, but it is being assumed it is.

In defending its tight-lipped policy Consolidated Mining & Smelting Co. state that officials consider it imprudent to give results that are inconclusive, and that may have to be corrected after further development.

This does not apply to a situation wherein apparently well authenticated reports differing as widely as has been indicated, from official data, are given circulation. In such cases, in the opinion of most mining men, it is up to the operating company to either deny or confirm them. The latest report of Smelters is neither a denial nor a confirmation, inasmuch as it is entirely inadequate.

As of Nov. 14, 1936, Smelters held 1.1 million shares of Consolidated Chibougamau, of which 320,000 shares had been purchased during 1936. Some of the stock purchased in 1936 was optioned at $1 per share.

If the general public are to have any intelligent conception of the merit of the development being carried out in Chibougamau not only by Smelters, which is looked up to as the leader in this field, but by other mining concerns, it appears to be Consolidated Smelters' move

90,000 Cords Wood Cut For Manitoba Paper Co.

Increased wood-cut ordered for the Pine Falls mill of Manitoba Power & Paper Co. this winter is evidence of the increased production of newsprint this year by the various units of Abitibi Power & Paper Co.

Hon. J. S. McDiarmid, Manitoba Minister of Natural Resources, announces that the cut this year is to be 90,000 cords, or three times the volume of last year's cut. The larger cut is necessary because both newsprint machines are running at the Manitoba Paper Co. mill at Pine Falls.

The Nation's Business

(Continued from page 1)

parties. There is a real opportunity here for Mr. Hepburn.

Mr. Rowe has given the lead. It is up to the public in every province to compel action.

* * *

Balancing of Budgets

CURIOUSLY enough Mr. Rowe has, in another direction, taken a stand as wrong as his anti-patronage policy is right. His statement that if he were premier of Ontario he would give every man a job rather than keep him on relief, even if it cost $2 in debt rather than $1, indicates a deplorable ignorance of the principles of economics and sound public finance.

He charges that the Hepburn Government has ignored the unemployment question in order to balance its budget. The charge happens to be groundless. But what concerns The Financial Post most is Mr. Rowe's light opinion of the value of budget balancing.

* * *

THE most constructive policy of the Hepburn Government in Ontario has been its determination to balance its budget. In reducing expenditures and putting a balanced budget within reach Premier Hepburn has done more to solve the unemployment problem in this province than his predecessor did in spending large sums on relief.

The very foundation of prosperity is business confidence. Business confidence, in turn, depends to a large extent upon government policy. There is nothing more disturbing to business than increasing government expenditures and the prospect of increased taxation.

If Premier Hepburn had followed the course suggested by Mr. Rowe of deliberately unbalancing his budget, economic recovery in Ontario and a solution of the unemployment problem would have been postponed indefinitely. Our unemployment problem has not been solved, but it has been alleviated. Increased employment by business has been slowly but surely reducing the number on relief. Confidence engendered by sound fiscal policies in the Dominion and all the provinces would speed up re-employment immensely.

* * *

Farm Lending Very Expensive

MR. ROWE is getting over his head in the discussion of another matter: farm lending. He criticizes the new Government in Ontario for stopping loans to farmers and thinks that as money is recovered from old loans it should go out in new loans.

According to press reports, Mr. Rowe states that in the policy of closing out loan operations of the Agricultural Development Board the Ontario Government has ignored the needs of farmers; that farmers who needed loans have been unable to borrow because the Government would not take the risk. The Financial Post's information is that some 15,000 loans out of a total of 17,000 made by the Agricultural Development Board are in arrears. This seems more than ample justification for cessation of this lending, especially when deserving borrowers can obtain money from other sources.

* * *

IT WILL cost the Province of Ontario some $25 millions out of the total fund of $50 millions to clean up "loans" formerly made under the aegis of the so-called Agricultural Development Board. So The Financial Post is informed on good authority.

One of the most constructive acts of the present Government has been the cessation of this form of "lending." The suggestion that the Government should start relending the money that it collects on existing loans means that the Government ought to continue in the lending business until the entire $50 millions is uncollectible. The province cannot afford to lose $25 millions and it can much less afford to lose $50 millions. The more rapidly this source of expense and loss is wiped off the provincial books the better. Surely $25 millions is enough to pay for education of provincial legislators in the problems of the lending business.

* * *

FARMERS will benefit from cessation of this provincial lending. Many of the loans were not made on farm property at all and others really amounted to transfer of properties to the Government at exorbitant sale prices. Moreover the Dominion Government is still making farm loans and so are some private lenders. Loans that are not good enough for these parties are not good enough for provincial lending.

The Hepburn Government can be criticized on many grounds and The Financial Post does not hesitate to do so. But the cutting of a loss of $25 millions cannot be criticized honestly and is dangerous ground for debate by the Conservative party under which many of the loans were made.

Carlisle Opposed To Low Pay Scale

(Continued from page 1)

of reducing costs that they do not have. This country cannot base its economic system on the low wage scale which exists in many foreign countries, neither do we think it is essential for this to be done. To secure lower costs there are many more factors to be dealt with than wages, such as equitable capitalization of companies—too many companies and industries are overcapitalized, therefore, making it prohibitive to secure the maximum low cost. The proper layout of plants, the location of plants, the access to the markets of crude materials, the type of machinery, the turnover of product, the systematic and economical merchandising of product and taxes paid are some of the factors that must be efficiently dealt with to secure lower costs. Taxes in some instances are greater than labor costs of production. I am connected with one company whose taxes on domestic sales are 16.09%. Taxes as high as these necessarily restrict business.

We Must Export

In my talk at the Canada Bread dinner I stated, and I am of the same opinion now, that one of the soundest ways to create permanent employment and prosperity in this country is by a material increase in our export business. If we increase our export trade, say by 40%, we relatively increase employment by 40%, we increase transportation by 40%, we increase the purchasing power of our people by 40%. Does not this suggest a real basis to obtain and maintain? The only way to secure this position is to be able to sell our goods in foreign markets where we must be competitive in price, which means reducing our present costs, we must be competitive in quality, in service and in business policies. Canada produces largely in excess of her consumption. This country is capable of a very much larger production than it now has, but to secure that production it means that we have to sell our excess products in markets external to Canada.

Position of Wheat

One of our largest items of export is grain, and especially wheat. If we are to be competitive in the world's market, and especially the grain market with such countries as Russia, Argentine and Australia, it seems essential that our grain growers must be put into a position where their costs are such that they can produce grain and sell it at a profit in the world's market. I doubt if Canada is in that position today.

When Canada held its wheat for a higher market than the world's market the sale of our wheat was greatly retarded and likely our market injured. Our wheat is selling at a very satisfactory price today, as compared with the cost of production, but this is not due to our economic system, it is on the other hand due to the shortage of crops quite generally throughout the world. Had it not been for this shortage it is likely that this country would have sustained a very material loss.

It would appear that the betterment of our country and our people lies to some extent, at least, in economic costs through which the country may hope to expand both its domestic and foreign markets.

C. H. CARLISLE.
Toronto.

Editor's Note: Mr. Carlisle is president of the Dominion Bank, Canada Bread Co. and Great Lakes Paper Co.; director and former president of Goodyear Tire of Canada; director of several other companies.

Consolidated Diversified Raises Dividend to 37½c

Consolidated Diversified Standard Securities Ltd. has increased its semi-annual dividend on the first preferred shares to 37½ cents a share, payable Dec. 15 to shareholders of record Dec. 1. The last payment on June 15, 1936, was 25 cents a share.

The full preferred dividend rate is $2.50 a share annually, which, however, is non-cumulative, so there are no arrears. The full rate has never been paid since the present shares were issued in 1932.

Brandram-Henderson Sale Plan Is Abandoned

From Our Own Correspondent

MONTREAL. — Bondholders and shareholders of Brandram-Henderson Ltd. have been notified by President Peter R. Jack that negotiations looking to the sale of the property have been abandoned.

Earlier in the month Peter Jack issued a statement saying that directors were prepared to recommend to shareholders acceptance of an offer for purchase of the company as a going concern, free from encumbrance of the bond issue of $825,000 for a sum of not less than $650,000.

Immediately after, Norman Holland, managing director of the company, informed shareholders and bondholders that he was opposed to the sale for such a figure and made an offer to purchase half of their share holdings.

The interest referred to by Peter Jack as being possible purchaser of the property was the Glidden Co., one of the larger American paint and varnish companies in the United States and operating a plant at Toronto. Directors of the Glidden Co. examined the property and setup of Brandram-Henderson, but decided not to go ahead with the deal.

Meanwhile Norman Holland's offer to buy stock from the bond and shareholders stands. It is understood the managing director seeks to acquire substantial minority interest, between 40 and 50%. No particulars are available as to the amount of stock deposited under the terms of Mr. Holland's offer.

Pogue's Device Gets New Test

(Continued from page 1)

motive engineers, revolutionizes the automotive industry?

Obviously the first and most serious repercussion will be in the direction of the oil companies.

Officials of oil companies assert their technical staffs long ago investigated the Pogue patents and found nothing of a disturbing nature. Their view is that so far there is nothing to verify the claims of the inventor that exceedingly low gasoline consumption is possible. But even the largest staff of oil company engineers cannot examine every type of patent issued in Canada or elsewhere, and it is known that Pogue has spent years and effort in safeguarding his patent position in nearly every country in the world.

The fact is that more time and money have been spent in connection with patents than in actual experimentation and development of the carbureter itself, since once established, it remained only to protect the principle of the device in every possible national market. How this was done remains to be told.

Nor are the oil companies alone concerned in the potential threat to their business structure. Friends of one man who was personally connected with work on the Pogue carbureter are said to have been advised by him to lighten their holdings of oil shares, and an official of a leading Canadian investment trust admits to The Financial Post that uneasiness exists in his own mind about large holdings of oil stocks in the company's portfolio.

His view is that if the Pogue invention ultimately increases consumption of petroleum products it would nevertheless cause a violent and serious disruption of the oil industry for a time.

More optimistic is the view of another investment trust official who sees no cause for worry regarding oil shares because, he feels, the invention would ultimately increase gasoline and oil consumption to a tremendous degree. Oil, he argues, would displace many other fuels because of its economy and would be in greater demand than before. Coal and water-power might be displaced, it is pointed out by one oil man.

The insignificant little passenger car, patrolling Ontario highways, will tell the story when tests are completed in a week or two.

Gatineau Increase Helps Can. Hydro

From Our Own Correspondent

MONTREAL. — Gatineau Power Co. is officially advised by the Hydro-Electric Power Commission of Ontario that it will take an increase of 20,000 h.p. in deliveries of 25-cycle power. This increases deliveries of 25-cycle power to 120,000 h.p., leaving the standby power unchanged at 32,000 h.p. and the reserves at 107,000 h.p. It is expected that some further increase may be made in December.

The increase in deliveries will mean a net gain of $215,000 in revenue received by Gatineau Power Co. from Ontario Hydro. Further, this will apply largely to the first preferred stock of Canadian Hydro Corp. As there are 125,000 shares of the latter outstanding, the 20,000 additional horsepower means nearly $2 a share.

As reports of Canadian Hydro of late indicate a rather substantial gain in revenues from power sales to customers other than Ontario Hydro, prospects are that the company will earn the dividend on the first preferred for 1936. While deliveries to Ontario Hydro will be less in 1937, chances are that income will again cover the dividend on the first preferred. In that event, the directors may decide to change the policy on dividends, which were deferred this year.

Bond Sales

The Bank of Montreal and L. G. Beaubien and Co. were the successful bidders at 99.83 for a $248,000, 3½% serial bond issue, due 1966, of the Municipality of St. Hyacinthe.

The Banque Canadienne Nationale bid 99.635 on the issue.

Bank of Montreal To Show Progress

From Our Own Correspondent

MONTREAL.—Bank of Montreal's annual financial statement, which will be mailed to shareholders shortly, will show a general expansion of operations and an anticipated moderate increase in earnings for the 12 months ended Oct. 31 last, compared with the preceding fiscal year.

Particulars of the report are not available, but a broad picture of the year's operations is afforded by the latest returns to the Minister of Finance at Ottawa, compared with that of a year ago. Outstanding current loans in Canada dropped about $58 millions, an influential factor being liquidation of grain advances. Call loans were also considerably lower this year.

Decline in revenue from these sources was offset in some measure by an increase of approximately $65 millions in security holdings. Substantial saving was effected in cost of the bank's funds. Reduced rates were paid on deposits only slightly higher than in 1935.

Total assets are expected to be about $10 millions above the $792.8 millions figure a year ago.

Canada Malting Pays Extra 50 Cts.

Good Exports Believed Largely Responsible for Extra Dividend

In addition to the regular quarterly dividend of 37½ cents per share, directors of Canada Malting Co., decided this week to pay an extra of 50 cents per share. Both will be payable Dec. 15 to shareholders of record Nov. 30. A similar extra dividend was paid in the same quarter a year ago but only the regular payments during the balance of the year.

This extra dividend is taken as definite indication that the export business of the company is continuing on a satisfactory scale. Such business has been regarded as more or less temporary since the repeal of prohibition in United States, but due to shortage of malt supplies and less than average crops of barley which forms the raw material for those supplies, substantial exports have continued.

Canada Malting recently changed its fiscal year from ending July 31 to Dec. 31, hence no annual report is expected before March. For the first 12 months operations of the current year, however, or to July 31, the company is understood to have earned net profits slightly in excess of the $2.86 per share reported last year. Since that time it is believed that operations have been equally satisfactory.

Annapolis Valley Electric Sale Approved by Board

MONTREAL.—Sale and transfer of the Annapolis Valley Electric Co. to Avon River Power Co. has been approved by the Nova Scotia Board of Public Utilities. The company, which was formerly owned by the Associated Gas and Electric Co., serves Lawrencetown, Bridgetown, Bear River and surrounding district.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1 '37	100
Riordon Pulp	‡6%	1942	Dec. 31	105
H. Walker	†4½%	1945	Dec. 1	104
H. Smith Pap.	5½%	1953	Dec. 1	104
Mississippi River	°5%	1951	Jan. 1	105
Avon River, A	5½%	1956	Jan. 1	103
Do., B	5½%	1957	Jan. 1	103
Do., C	5½%	1958	Jan. 1	103
Can. Bread	•6%	1941	Feb. 1	110
Porto Rico Tele.	•6%	1944	Dec. 1	105
Hospital of Infant Jesus, Que.	...	*	Feb. 1	101
Ont. Power of Niagara Falls	5%	1943	Dec. 3	‡
New Eng. Power	5%	1951	Jan. 1	105
Indust. Accept. A	6%	1940	Jan. 25	105

For sinking fund: ‡$81,000. •$100,000. •$23,400. °$155,900. ‡Tenders called for $249,394.

†Partial redemption. *Maturing from Aug., 1937, to 1956.

Stock Issues:	Rate	Stock	Date	Price
Stanfields	6%	Pref.	Dec. 15	42
Chas. Gurd.	7%	Pref.	Dec. 4	†

†Tenders called for $10,000.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
St. Hyacinthe,	Nov...	Bank of Montreal, L. G. Beaubien & Co.	3½%	ser. 1966	$248,000	99.83	....
Sorel, Que.	Nov...	Comptoir National du Placements	4%	15 ser.	$232,800	98.58	....
Tisdale Township, Ont.	Nov...	W. L. McKinnon & Co., and Syndicate	5%	1937-41 1942-46 1947-51	150,000	....	*4.25 *4.50 *5.00
Dartmouth, N.S.	Nov...	Johnston & Ward	3½%	20-ser.	8,500	100.19	....
Sarnia Twp., Ont.	Nov...	J. L. Graham & Co.	4%	20-ins.	32,000	....	....
Saint John, N.B.	Nov...	W. C. Pitfield & Co.	3½%	15-yr.	12,000	*101.50	3.35%
Quebec Sch. Comm.	Nov...	Privately	3½%	30-ser.	200,000	....	....
Regina, Sask.	Nov...	City's Sinking Fund	6½%	15 & 20-yr.	220,000	....	....
Berthierville, Que.	Nov...	Bruno Jeannette	3½%	....	48,000	98.37	....
Victoriaville, Que.	Nov...	City Treasurer	4%	1937-56	17,500	100	....
Swansea, Village of	Nov...	Harrison & Co.	4½% 4½%	1937-48 1937-62	117,680 24,545	102	....
United Counties of Lennox and Addington	Nov...	Dominion Bank	3½% 3½%	1939 1940	15,000 10,000	100	3½%
Grimsby, Ont.	Nov...	Isard, Robertson & Co.	4½%	1937-41	8,660	100.25	....

*Offering price.

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Seaboard Power Corp.	Oct...	Wood, Gundy & Co.	3½ & 4%	8-ser.	$800,000	....	....
Confederation Amusements	Nov...	Rene T. Leclerc, Comptoir National du Placements, Credit Anglo-Francais	5%	20-ser.	625,000	....	
Industrial Acceptance Corp.	Nov...	Greenshields & Co., McLeod, Young, Weir & Co., Harrison & Co.	5%	Pref.	$1,000,000	100	5%
Stock Issues:							
Fairchild Aircraft, Ltd.	Nov...	Aldred & Co., Collier, Norris & Henderson	...	....	30,000 shs.	$6	....

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Loans can be used to finance both inside and outside repairs. Reroofing, repairs to verandahs, walls, foundations, etc., are all included under this head.

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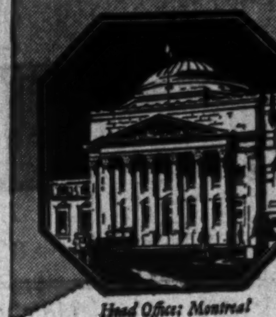
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Foreign Exchange

Switzerland, Holland and Belgium have formally joined France, Great Britain and the United States in their international currency agreement. Such action on the part of the first two countries mentioned came as no surprise. Early in November it was reported that a decision had been reached. Belgium was considered more doubtful as she has no stabilization fund.

The development is viewed as a further step toward currency stability and improved trade.

The flow of funds from Great Britain to American security markets has reached such proportions that President Roosevelt has warned legislation may be required to stem it. A portion of the funds represents capital which has been directed to England from Continental countries.

The French situation continues delicate.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Nov. 17	Nov. 18	Nov. 19	Nov. 20	Nov. 21	Nov. 23
U. S. dollar, High	.99 31/32	.99⅞	.99 31/32	.99⅞	.99⅞	.99 31/32
Low	.99 27/32	.99 27/32	.99 27/32	.99 27/32	.99 13/16	.99 13/16
1935 High	1.01 3/16	1.01 7/32	1.01 3/16	1.01 1/16	1.01 5/32	1.01 3/16
Low	1.01⅛	1.01 3/32	1.01 3/32	1.01	1.00 31/32	1.01 11/32
U. K. pound	4.88¼	4.88¼	4.88½	4.88⅝	4.88½	4.89
Argentina	.2782	.2781	.2780	.2777	.....	.....
Australia	3.8968	3.8976	3.8969	3.8998	3.8999	3.9047
Austria	.1870	.1870	.1869	.1870	.1870	.1868
Belgium	.1690	.1689½	.1689	.1689½	.1689½	.1690⅛
Brazil	.0593	.0593	.0593	.0590	.0593	.0583
Czechoslovakia	.0354	.0354	.0354	.0354	.0354	.0354
Denmark	.2181	.2181	.2180	.2181½	.2181½	.2181½
France	.0464¼	.0464¼	.0465	.0464¾	.0464½	.0465¼
Germany	.4019	.4020	.4018	.4019	.4019	.4020
Greece	.0089¾	.0089¾	.0089¾	.0089¾	.0089¾	.0089½
Holland	.5398	.5397	.5400	.5404	.5403½	.5413
Hungary	.1978	.1978	.1977	.1978	.1977	.1974½
India	.3720	.3718	.3718	.3720	.3718	.3715
Italy	.0526¼	.0526¼	.0526¼	.0526¼	.0525¾	.0525¾
Japan	.2856½	.2857	.2853	.3043	.2856	.2853
Jugoslavia	.0234	.0233	.0233	.0233	.0233	.0233
New Zealand	3.9282	3.9390	3.9282	.....	3.9314	3.9362
Norway	.2454	.2454	.2454	.2454½	.2456¼	.2457
South Africa	4.8563	4.8573	4.8564	4.8600	.....	.....
Sweden	.2518	.2519	.2518	.2519	.2520	.2521
Switzerland	.2296½	.2297	.2296	.2298½	.2296½	.2294
Hong Kong	.3056	.3060	.3051	.3050	.3054	.3048

Neva-Wet Preferred Certificates Sold at Par

From Our Own Correspondent

MONTREAL. — Bruno Jeannotte Ltée, are making a public offering of 300 trust deposit certificates, guaranteed by 300 preferred shares, of Neva-Wet Corp. of Canada at $100 per certificate.

This company which has been in operation for the last 18 months has exclusive rights in Canada and Newfoundland of a secret water-repellant process known as the "Neva-Wet Process."

Canadian Petroleum

Canada's output of crude petroleum reached 139,940 barrels in July, the highest monthly output since June, 1931.

Montreal Stock Margins Set at Higher Levels

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange and Montreal Curb Market inform their members of a general upward revision in minimum margin requirements, and the same requirements have been adopted by the Toronto Stock Exchange.

The new schedule provides:

Cash settlement on stock selling under $1 a share;

Fifty per cent margin on stock selling at $1 and under $3 a share;

Forty per cent on stock selling at $3 a share and under $10;

Thirty-five per cent on stock selling at $10 a share and over.

BRAZILIAN TRACTION

We have available a review of Brazilian Traction, Light and Power Company, Limited. Copies furnished on request.

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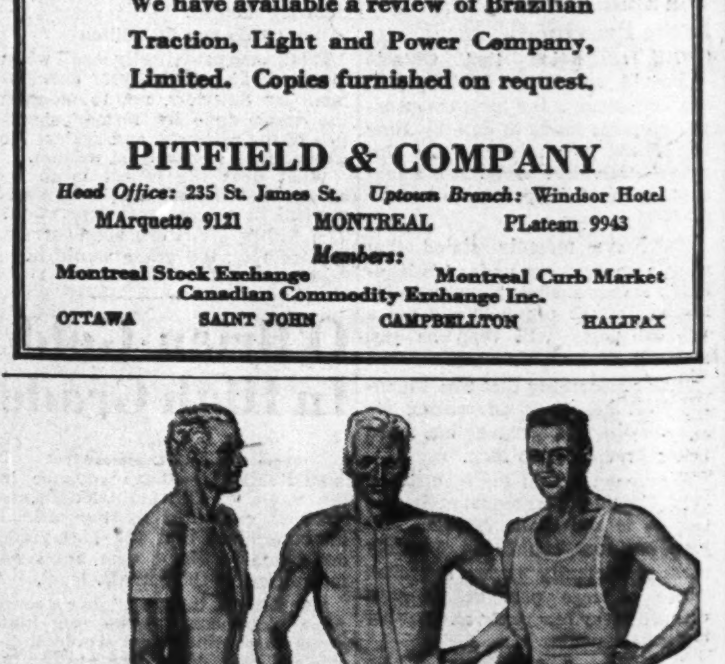

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News of Investments - - Analyses

Tor. Elevators Plans 5% Issue New Preferred

Expected to Redeem 7% Issue at 110 in Refinancing

AID TO COMMON

Toronto Elevators Ltd. is expected to call for redemption at $110 a share all its outstanding 7% preferred stock, to be refinanced through issue of 5% preferred shares at 100. There would be no conversion privilege attached to the new preferred, it is understood.

The amount of the 7% stock was $1,485,800 or 14,858 shares at July 31, 1936, the close of the last fiscal year. The preferred is convertible into common, one preferred share for three common up to the date of redemption even after issue of the call.

Conversions Expected

It is expected that in the event of a call of the stock some of the preferred shares would be converted into common. This would reduce the amount of 5% stock to be offered. Another contributory influence in the probable success of an issue at 5% is that the company's preferred shares are legal investments for institutional investors.

It is understood two groups of underwriters have been interested in obtaining the issue of 5% stock which would tend to reduce the cost of the financing to the company.

Benefit to Common

Reduction of the fixed dividend rate from 7% to 5% on the full amount of preferred stock would represent an annual saving of $29,700. This would amount to $1.14 a share on the 25,426 common shares outstanding last July 31.

If all the preferred were converted by the holders into common, it would involve issue of another 44,574 common shares. At the present dividend rate of $1 a share on the common, this would involve disbursement of only $44,574, compared with dividend charges of $104,000 on the preferred. Net profit available for dividends was $185,288 last year. This was equivalent, after preferred dividends, to $3.20 a share on the common.

Dividend Policy

The company's balance sheet and income account are understood to be drafted on a conservative basis. Consequently there is some belief that a more liberal dividend policy may eventuate for the common shares when the preferred has been refinanced.

Another possibility for the common stock is believed to be a split of the shares which would have the effect of broadening the market.

The company's record of earnings since incorporation in 1928 has been impressive. It shows the preferred dividend covered consistently by a comfortable margin, substantial earnings on the common, and a steady increase in equities. Comparative figures follow:

Toronto Elevators' Results (Per Share)

	—Preferred—			—Common—		
	Earn.	Pd.	Equity	Earn.	Pd.	Equity
	$	$	$	$	$	$
1929-30	10.24	7	119.39	1.94	.	5.60
1930-31	13.70	7	125.18	4.02	.	9.11
1931-32	15.38	7	133.15	5.03	.	13.88
1932-33	10.00	7	136.22	2.85	1	15.73
1933-34	14.06	7	146.67	4.23	1	22.00
1934-35	12.22	7	151.54	3.04	1	24.29
1935-36	12.47	7	155.35	3.20	1	26.50

Gurd Declares Cash Dividend

First Payment Since 1933 —Offers to Buy $10,000 of Preferred

From Our Own Correspondent

MONTREAL. — Charles Gurd & Co., soft drink manufacturers with plants in Montreal, Saint John and Toronto, has declared a special interim dividend for 1936 of 20 cents a share on the common stock.

This step was not unexpected as last September the president, Alex. McA. Murphy, stated the company had no bank loans, no arrears of taxes or trade obligations, while operating results for the first eight months of the year had been better than in the corresponding period of 1935. Also prospects for the balance of the year looked promising.

Last Dividend in 1933

After the split of two for one in common toward the end of 1928, the stock was put on a 50-cent quarterly basis in April, 1929. This rate was paid until the beginning of 1932, when it was reduced to 40 cents. The Oct. 1, 1932, payment was reduced to 25 cents, and again to 15 cents a share on January 7, 1933. Thereafter dividends were discontinued.

Coincident with the declaration of the 20-cent dividend, the board announced it was also decided to call for tenders for $10,000 par value of the company's preferred shares. Tenders for such sale should be forwarded to the Montreal Trust Co. by shareholders of record up to Dec. 4.

Cons. Bakeries to Pay Extra 20-cent Dividend

Consolidated Bakeries of Canada has declared dividends totalling 40 cents a share payable Jan. 2, 1937, to shareholders of record Dec. 15. The regular quarterly declaration is 20 cents a share and there is a special additional dividend of 20 cents a share.

The increased payment reflects improved conditions in the bakery business this year which has led to expectations of an extra payment at the close of the year. This year's extra dividend brings total payments from 1936 earnings to $1 a share.

The regular dividend rate on the shares has been 80 cents annually. In 1935 an extra dividend of 10 cents a share was paid at the year-end, making total payments of 90 cents a share. The company's statement for 1935 showed net profits exactly equal to the year's dividends.

Investment Analysis

C.P.R. 4% Preference

Investment Merit Unappreciated by Canadians Owing to Unfamiliarity With Stock — Sells at Same Level as Ordinary Shares

From Our Own Correspondent

MONTREAL. — Though practically unknown to the Canadian investor, Canadian Pacific Railway 4% preference stock is worthy of study, because it is selling at about half of its par value of $5 a share, secondly, the likelihood of a resumption of dividends with continued recovery in business; and thirdly, it appears out of line with the ordinary shares.

At the end of last year C.P.R. had outstanding over $137 millions of the 4% preference stock. Originally it was issued in the early '90s. For more than four decades dividends were paid regularly, and in the eyes of the English investor, the stock was regarded as one of the soundest issues on the London Stock Exchange.

The rights attaching to this stock are not complicated. The amount that can be issued is limited to half the amount of ordinary shares outstanding. The dividend is not cumulative and the holder has one vote for every five shares held. It ranks ahead of the ordinary shares as regards dividends.

Held in Britain

At the end of last year there were 28,017 holders of the preference stock. Nearly all of whom resided in the United Kingdom, as shown in the following distribution:

	No. of Holders	% of Stock
Canada	82	.28
United Kingdom	27,707	97.90
United States	28	.58
Other countries	200	1.24
	28,017	100.00

Always Earned Something

The preference is entitled to half yearly dividends of 2% in April and October. The last payment was made Oct. 1, 1932. Since then finances of the company have been such as to cause the directors to defer payment.

Prior to 1932 there was never any question of the ability of the company to fully earn the preference dividend. In 1930, for example, the company earned 29.67% on the par value of the shares. Though earnings dropped sharply thereafter there has always been something available for the stock. The low point was reached in 1932, when only 0.19% was earned. The following year share earnings advanced to 0.92%, and in 1934, the full rate was covered with earnings of 4.71%. Last year there was a drop to 2.06%, owing to the write-off of over $3.5 millions for steamships' depreciation.

The amount of money required to cover the dividend on the outstanding preference shares is $5,490,277 annually.

Had the stock been cumulative, arrears would now amount to approximately 80 cents a share in Canadian funds. However, no such liability exists; a factor in considering the investment merits of the stock.

Sir Edward on Dividend

Prospects of a resumption of dividends are encouraging. At the last annual meeting of C.P.R. shareholders, Sir Edward Beatty said:

> "It is hoped that, with general improvement in business conditions which now seems to be under way, and with a betterment in western agricultural conditions, a resumption of dividends at least in respect of the preference shares will be possible in the near future. Some preference shareholders have enquired as to whether the directors would await a return of conditions which would permit payment of a full 4% on the preference shares before declaring any dividends. It will be the policy of the directors to re-establish a dividend on such stock in whole or in part at the earliest possible date consistent with prudent administration."

This declaration by Sir Edward may have been premature. At the same time, however, it is indicative of the thought of the board on the subject.

There is an interesting feature in connection with this security. While the company has no liability in connection with the deferred dividend, it is conceivable that when conditions permit, the company will see that the preference shareholders are compensated for the period when they went without a dividend. Such a policy would be purely voluntary on the part of the company.

Prospects Are Better

There is no indication that the company will resume dividend payments in the near future, unless income for 1936 is on a larger basis than indicated by interim traffic reports. To the end of last September net income from rail operations was about 4% greater than for the same period in 1935. Details of special income will not be known until after the turn of the year. In any event it is expected the company will be able to show as large, if not larger, earnings on the preference than was reported last year. With an improvement in finances and a more promising outlook, it is possible that before long the directors will give serious consideration to a resumption of dividends, if not on a full basis, then on a partial basis.

Meanwhile the stock is currently quoted in London at 55% of its par value, or taking the pound at $5, $2.75 a share in Canadian funds. On the other hand the ordinary shares, which rank junior for dividends, are selling at the same level.

Canadian Hydro Denies Switch

From Our Own Correspondent

MONTREAL.—Reports that International Hydro Electric System had converted part or all of its holdings of the 6% non-cumulative second preference stock of Canadian Hydro Electric Corp. into the first preference stock, is officially denied by Canadian Hydro Electric Corp.

At the end of last year Canadian Hydro had outstanding $12.5 millions of 6% cumulative first preferred and $25 millions of 6% non-cumulative second preferred. Under the terms of the by-law the second preferred can be exchanged for the first preferred on a share for share basis, provided that net income for the most recent 12 months' period is equivalent to more than twice the amount required for a year's dividends on the stock to be issued on such conversion.

C. B. Shields Director Of Great Lakes Paper

Charles B. Shields, vice-president of Loblaw Groceterias Co. and a director of Canada Bread Co., has been appointed a director of Great Lakes Paper Co.

Louisana Land Share Income Up

From Our Own Correspondent

MONTREAL. — Louisana Land and Exploration, stock which is listed on the Montreal Stock Exchange, reports an improvement of 10% in net profits in the third quarter of 1936 compared with that shown in the preceding three months. For the first nine months this year, net topped that for all of 1935, $973,135, by more than 50%.

Larger production is indicated in net oil and gas royalties which, in the quarter ended Sept. 30, last, totalled $889,584, the largest for a three months' period this year, and compared with $789,100 in the June quarter. Since the company issued no interim reports in 1935, a comparison with last year is not possible.

For nine months Sept. 30, 1936, indicated net income as compiled from company's quarterly reports was $1,464,127, equal to 48 cents a share.

Associated Breweries Pays More on Common

From Our Own Correspondent

MONTREAL.—Directors of Associated Breweries of Canada have declared a dividend of 25 cents a share on the common. This compares with a dividend of 15 cents in each of the first three quarters of this year and will bring total disbursements for 1936 to 70 cents a share.

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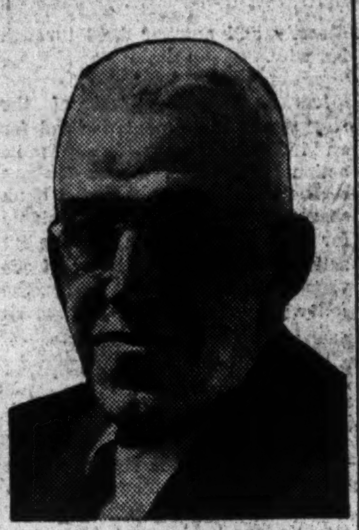

NEW VICE-PRESIDENT

W. S. Ware, who has been appointed a vice-president of Carnation Co., Ltd., Toronto. Formerly associated with the Kellogg Co., of Battle Creek, Mich., Mr. Ware has been with the Canadian Carnation Co. since 1925 and in 1934 was made treasurer and a director.

Cottrelle Voices Dissent To Lake St. John Plan

St. Lawrence Corp. Shareholders Vote for Approval

From Our Own Correspondent

MONTREAL.—Shareholders of St. Lawrence Corp. have approved the proposed reorganization of Lake St. John Power and Paper Co. A meeting of the St. Lawrence Paper Mills shareholders to consider the same matter has been adjourned to Nov. 25, in order to give English shareholders more time to deposit their proxies. St. Lawrence Corp. owns practically all of the common shares, while St. Lawrence Paper owns all of the preferred shares of Lake St. John.

Dissent to the plan was expressed by George R. Cottrelle, executive officer of The Canadian Bank of Commerce. In a letter to A. K. Cameron, president of St. Lawrence Corp., he stated he thought the proposed reorganization was premature, unnecessary and inadvisable, and that it was inequitable to the holders of equity securities, particularly in view of improving conditions in the newsprint industry.

Mr. Cameron said he personally would like to have seen a delay in the reorganization, but it was brought forth so as to obviate the fear for foreclosure by bond and debenture holders. It was for this reason, and because some of the directors of Lake St. John were also directors of his own company, that an expression of opinion was sought from the shareholders.

Ogilvie Stock Split Put Up to Board

MONTREAL.—Suggestion by a shareholder that the common stock of Ogilvie Flour Mills should be split into smaller units and President J. W. McConnell's reply that the board would review the suggestion, featured the annual meeting of shareholders.

At present Ogilvie has outstanding 75,000 shares of no par value. The last split in the stock took place in Nov., 1924, when the old $100 par value shares were split three for one. The present market value of the shares is around $250, which makes for a limited market.

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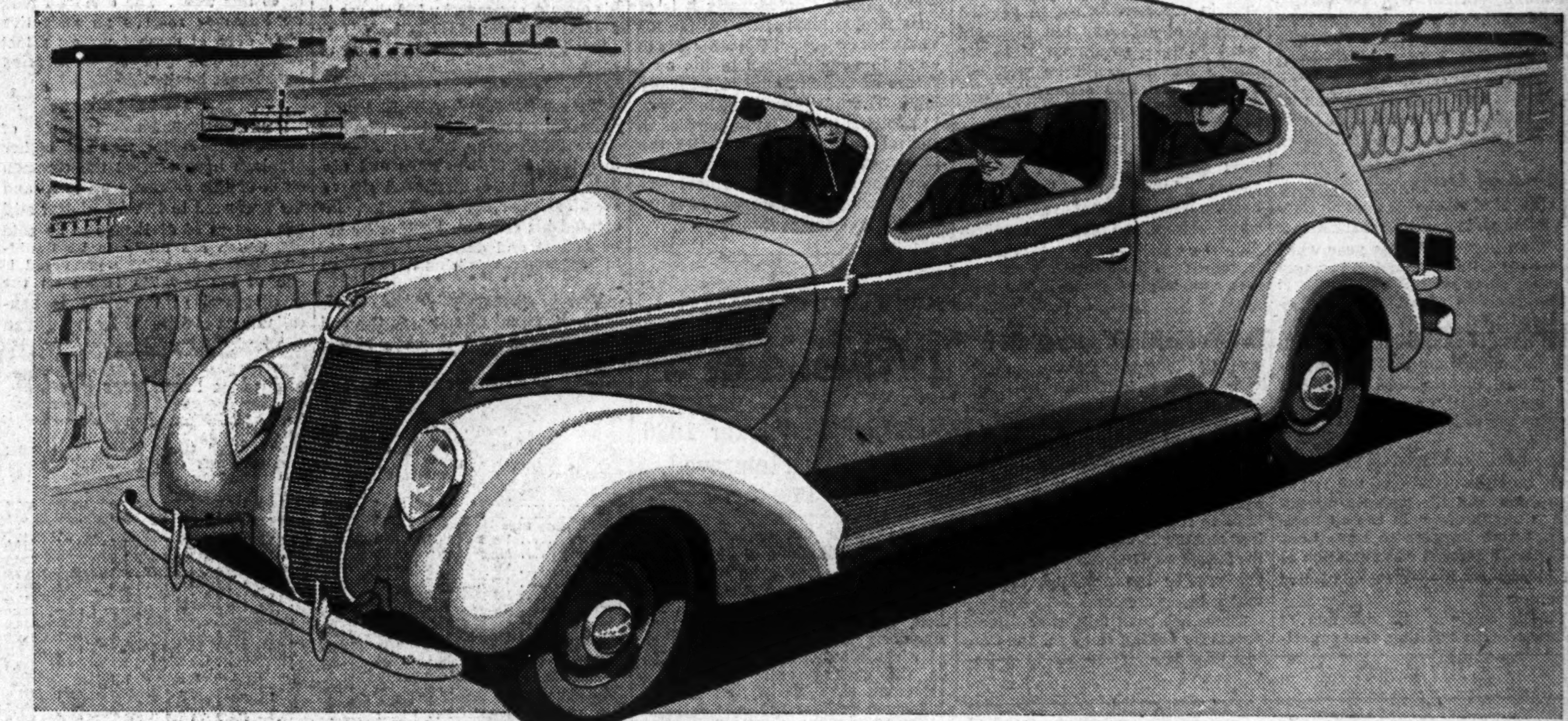
McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
J. K. RINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

The Economy Car in the Low-Price Field



THE NEW FORD V·8 FOR 1937

BECAUSE it is the economy car in the low-price field, as well as the most beautiful Ford ever designed, the Ford V-8 is more than ever The Universal Car.

It will appeal to families who consider economy. To salesmen who drive their own cars and wish to pare expenses. To farmers who need a rugged inexpensive car for bad roads in all weathers. To fleet owners who must hold mileage costs down. To women whose cars are a part of the daily round of family or business duties.

The 1937 Ford powered with the improved 85-horsepower V-8 engine is for those who want maximum performance with exceptional economy. It delivers the flashing speed and acceleration for which the Ford V-8 engine is famous. Yet improved carburetion enables it to give its thrilling performance with unusually good gasoline mileage.

For those who want maximum economy with good performance, there is the new 60-horsepower V-8 engine. It offers V-8 smoothness and quiet—even at speeds up to 70 miles an hour—with gasoline mileage so high that it creates an entirely new standard of modern motoring economy. The smaller engine also makes possible a lower price.

Beyond the choice in engines, the 1937 Ford car is one size—one wheelbase. Its appearance is modern and streamlined. Body-structure is all steel. New Easy-Action Safety Brakes give faster stops with about one-third less pedal pressure. It is engineered throughout for the quiet you expect of a quality car. It is a big, roomy car—with extra space in the body where you want it, not taken up by the engine under the hood.

You are invited to see the New Ford V-8 Cars at the showroom of your Ford dealer.

FEATURES OF THE 1937 FORD V·8 CARS

APPEARANCE—Distinctive modern design. Headlamps streamlined into fender aprons. Modern lid-type hood hinged at the back. Larger luggage space and spare tire concealed within the body. Interiors entirely new in design. A slanting V-type windshield that opens in all closed cars.

POWER—Choice of the improved 85-horsepower V-8 or the new 60-horsepower V-8 engine.

BRAKES—You want two things in a modern braking system. Dependability—and soft pedal action. The Easy-Action Safety Brakes in the new Ford give you both, with "the safety of steel from pedal to wheel." Cable and conduit control type. Self-energizing—car momentum is used to help apply the brakes. About one-third less pedal pressure is required to stop the car.

SAFETY—All-steel body construction. Not an ounce of wood used for structural strength. Frame structure is all steel—sheathed with steel panels, top, sides and floor. All are welded into a single steel unit of great protective strength. Safety Glass all around at no extra charge.

COMFORT AND QUIET—By every modern standard of design, the 1937 Ford is a big, roomy car. Extra space in the body where you want it—not taken up by the engine under the hood. Comfort of the Ford Centre-Poise Ride is further increased by smoother action of the long-tapering springs with new pressure lubrication. New methods of mounting body and engine, and other refinements, make a quieter car.

Now on Display

Investment Trends

Warn of Uncertainty For Stock Markets

Investment Analysts Suggest Further Irregularity Possible But Retain Faith in Longer Term Recovery—Advise Delay in Purchasing

The longer-term outlook for common stock investments includes international inflationary forces. While the favorable influences for economic recovery appear to outweigh the unfavorable influences, prospects for the short term are much less certain.

In the new year some partially deflationary influences may be felt by stock markets. These include reduction of the U. S. government's spending programme, diminution of the recent flow of "extra" dividend payments, high taxation and increasing industrial costs. These temporarily adverse influences could be offset, of course, by further revival of the building industry and increased demand for new plant, machinery and other capital goods.

Market analysts suggest that a considerable recession of stocks now would clarify the outlook for 1937 but that continuation of the recent rise of prices into the new year, especially on high volume of trading, would call for a substantial set-back.

Uncertain Position

IN SPITE of recent weakness in stock markets, the averages have held fairly high levels. One of the most unimpressive features of the stock market position has been weakness of railway shares in New York contrasted with firmness in industrial shares. Heavy industrials have gone ahead on Canadian stock markets largely on the unreliable stimulus arising from hopes of munitions orders.

The Montreal Stock Exchange index which recently threatened to cross 100 still remains in the 90's and the Toronto Stock Exchange figure is not greatly below the high of 162.3 for the year. Had it not been for the strength of Canadian steel and machinery shares on the optimistic expectations of munitions business, the Montreal and Toronto averages would have shown less strength than they have in recent weeks.

The conclusion is that weakness in New York rail averages may be indicative of further irregularity in industrial shares and that the munitions stimulus may have been overstressed in Canadian markets. Consequently investment advisers continue to urge caution. They suggest retention of the bulk of common stock investments in the belief that eventually prices will be carried considerably higher by powerful basic forces for economic recovery. Knowing that a long-term rise is interrupted with frequent recessions, however, they suggest waiting at least until prices have settled down before making additional purchases.

* * *

Action of Oils

ACTION of oil shares both on Canadian and American markets has not been impressive this year when compared with the marked strength of other stock prices.

The position of oil shares is influenced first by the fact that the great days of expansion in automobile ownership appear to have passed. Thus, the earnings outlook is not sensational for oils but under present conditions appears to have stability.

Another influence on oil shares has been renewal of talk of the Pogue carbureter and the possible disruption it would effect in the oil business. There appears to have been a moderate amount of liquidation of oil shares on the strength of this development.

Finally there is the question of competition in retailing. One experienced investment man has kept his clients out of investments in companies with large retail interests but he has not hesitated to invest in big producing companies like International Petroleum.

Probably a major reason for lack of energy in oil shares is that many of them do not appear to offer as spectacular possibilities of profit in the current period of recovery as do some other types of securities.

* * *

Types of Leverage

THERE are two types of investment leverage which may be employed to advantage by the investor in a period of recovery. One is through investment in shares of companies in industries liable to abnormally large fluctuations in activity, such as building and construction securities. Another is through investment in shares of companies in fairly stable industries but whose capitalization is such as to exaggerate moderate fluctuations in earnings. This type of capital leverage prevails, for instance, where a company barely earns fixed charges on bonds or preferred shares. By an increase of 10% in earnings, profits applicable to common shares would rise perhaps 10 times.

The investor who wishes to invest in common shares to get the benefits of recovery but does not want to take maximum risks for capital profits would be well advised to buy into companies with good records and capital chiefly of common shares. For the investor who seeks the biggest profits and does not mind taking risks, the shares to buy are those in the most heavily depressed industries or in companies whose senior securities give the possibility of substantially increased profits on the common on even a moderate increase in earnings.

* * *

Depreciation Influence

EVEN though heavy steel and equipment industries may not benefit materially from a few "munitions orders," they still stand a chance of getting increased business because of the exceedingly low volume of replacements in recent years. The railways will eventually have to replace rolling stock, buildings and machines will wear out, and the longer replacements are delayed the greater the potential demand that is being created.

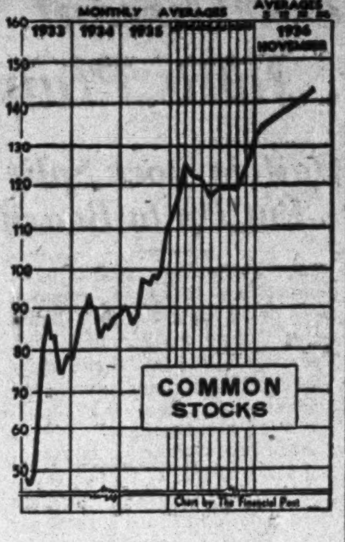
There has been talk of additional orders for rolling stock for the Canadian railways, which would benefit companies like National Steel Car, Canadian Car, Canadian Locomotive and others. But no great volume of business has been indicated yet. This type of business should be the chief hope of shareholders rather than "munitions" to which public sentiment is adverse.

* * *

Corporate Information

THE average investor usually prepares to go off to sleep when companies acts are under discussion which is unfortunate. A good deal of money has been lost unnecessarily because of inadequate companies acts in Canada. Good company laws cannot protect the speculator from losses but they are of genuine service to investors.

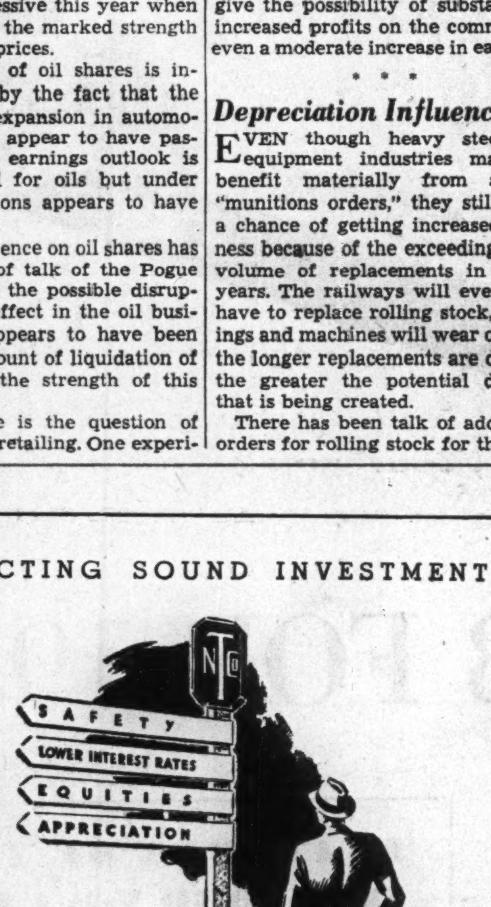
The main thing the investor can get from good companies acts is information in prospectuses and annual statements. This gives a reasonably good chance to judge the statistical chances for an investment although it cannot satisfy the important questions on personnel and management. Consequently it is of considerable importance for the investor for provincial Governments to come to some decision in the near future as to uniformity in company laws. There is something ludicrous in allowing provincial authorities to control securities issues under the improved Dominion Companies Act while the laws of the provinces permit investors to be starved of satisfactory investment information.



TOP FOR YEAR

Common stock prices reached the highest point for the year in the week to Nov. 19, the Dominion Bureau index standing at 140.9. Subsequently there has been a marked recession. Comparative figures appear on this page.

SELECTING SOUND INVESTMENTS



IN THE RIGHT DIRECTION

Changing market conditions . . . lowering of interest rates . . . improved corporate earnings . . . have created problems for investors. While to many the need of safety remains paramount, others are in a position to take advantage of the opportunity to profit from the appreciation in equities that is taking place.

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Ford Adopts Dividend of $1

Earnings Better for 1936 and Outlook Improved, Says President

Ford Motor Co. of Canada has declared a dividend of 25 cents a share on the class A common stock payable Dec. 16 to shareholders of record Nov. 28. Wallace R. Campbell, president, states that regular quarterly dividends amounting to $1 a share annually are to be paid in the coming year in view of increased earnings in 1936 and an improved general business outlook.

The 25-cent payment in December raises dividends for 1936 to a total of $1 a share. The last previous payment was 75 cents a share on July 11, 1936.

Welcome News

News that earnings have improved in 1936 is welcome to investors who have noted from partial reports that Ford sales for this year might show a decrease. In 1935, the company had a net operating loss of $403,719, but turned this into a net profit of $1,939,000 chiefly through receipt of dividends from affiliated companies and investment income and profits. The major item of income was $1.9 million of dividends received from affiliated companies, and it is expected that this year, too, the company will show similar large receipts.

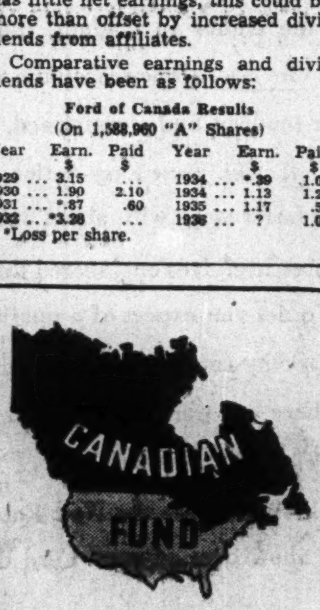
The company supplies its products to subsidiaries abroad at wholesale prices which appears to affect the Canadian company's operating profits adversely. And the dividends received from subsidiary companies have been less that of the aggregate net profits of such companies. Thus, even if the Canadian company has little net earnings, this could be more than offset by increased dividends from affiliates.

Comparative earnings and dividends have been as follows:

Ford of Canada Results
(On 1,588,960 "A" Shares)

Year	Earn. $	Paid $	Year	Earn. $	Paid $
1929 ...	3.15	...	1933 ...	*.39	1.00
1930 ...	1.90	2.10	1934 ...	1.13	1.25
1931 ...	*.87	.60	1935 ...	1.17	.50
1932 ...	*3.28	...	1936 ...	?	1.00

*Loss per share.



Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Investment Notes

Tip Top Tailors—Reports that control may be sold at $15 a share for the common cannot be confirmed officially but it is believed to be a possibility. This might only concern large blocks of shares. Rumors about refinancing of the 7% preferred are believed to be somewhat too early.

* * *

Int. Petroleum—The company's production of crude petroleum continues at a high level. October production in Peru and Colombia totalled 2,922,000 barrels, compared with 2,868,000 in September. For the first 10 months, of 1936, average daily production has been 92,238 barrels, compared with a daily average production of 88,643 barrels in 1935.

* * *

English Electric—Some very important investment money is said to have gone into the class A shares recently. Ordinary investors, however, have been inclined to exchange the shares for paying securities since income is more important to them than income tax is to some big investors.

* * *

Newsprint Bonds—In discussing newsprint production figures for October, R. O. Sweezey & Co. says that in a rising market, production figures for the year-end may be slightly misleading. Publishers will carry larger stocks than are normal through December in order to avoid the increase of $1.50 a ton which comes into effect at the beginning of the year. This abnormal demand, they say, may give the impression that a spot market is in the offing, but actually "we doubt the possibility of any substantial amount of newsprint being sold at a premium before the end of next year." It is also suggested that investors should favor bonds of such solvent companies as Great Lakes Paper Co. and Consolidated Paper Co., which are not in receivership, over the securities of companies like Price Bros. and Abitibi which still face reorganization.

* * *

Int. Paper & Power—M. G. Chace, a director, increased his holdings of all three classes of common shares in September and retained 2,500 shares of 7% preferred. He increased his class A common by 750 shares to a total of 6,650; class B by 800 to 4,100; class C by 6,400 to a total of 7,800.

* * *

Walker-G. & W.—W. J. Hume, president, increased his common share holdings by 2,000 in August, to a total of 27,429 shares and disposed of his 175 preferred shares. L. M. McCarthy, a director, increased his common holding by 400 in August and decreased it by 300 in September, retaining 1,100 shares.

* * *

Distillers-Seagrams—Aimé Geoffrion, Montreal director, at the end of 1935 held 2,003 common shares directly and another 5,000 through his wife.

* * *

Market test—One test of the strength of investment demand for an individual stock issue is its action in general weakness of share markets. In the recent slump, bank shares were particularly notable for not only resisting the decline but actually showing a majority of advances. As to industrial shares, the following were among the strongest:

Abitibi, pfd.
Beatty Bros., A
Bell Telephone
Building Prods., A
F. N. Burt
Canada Packers
Canadian Celanese
Canadian Dredge
Laura Secord
Loblaw, A
Moore Corporation
W. Can. Flour, pfd.

* * *

Fraser Cos.—After showing little activity for several months, Fraser's stock has suddenly come in for attention and advanced to a new high of around 31. The manner in which the stock has moved would seem to indicate pool operations rather than any outstanding change in operations or earnings. As far as can be learned, the report for this year will show an improvement, but hardly enough to warrant the current advance in value of the stock.

* * *

Dominion Coal—This company's preferred stock has languished for some time, largely because investors feared a lack of permanency in the federal subvention on coal shipments. However reports are that the company is covering the dividend of $1.50 a share by a wide margin, and as high yielding stocks are scarce, investment buying has moved the preferred up to 21½—the highest point reached since the old stock was split eight for one.

* * *

Industrial Acceptance—Stock of this company was recently listed on the Montreal Stock Exchange. Preliminary trading has been around $30 a share, which is only $2.50 under the option figure at which holders of the preferred can buy it.

* * *

Penmans—Despite reports that the Dominion Government is putting in claims for income tax arrears against the textile companies, including Penmans, the stock of the latter touched a high of 60 this week. The dividend paid by Penmans returns an attractive yield even at present prices; a fact which appears to be influencing investment buying.

* * *

Sherwin-Williams — Reports of improving business and higher earnings have carried the common stock of this company up to 25 and the preferred to 130. The latter still has arrears of dividends to be paid off, which are likely to be liquidated before long. The preferred is one of the few 7% issues on the market and as the stock is non-callable, it is favored by more than one broker.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	209.6	54.8	125.2
October	151.9	24.4	101.9	232.5	73.4	171.7	135.6	212.3	59.8	133.4
Weekly Figures, 1936:										
Nov. 5	159.2	24.9	103.9	238.0	74.7	175.2	133.7	218.6	61.8	136.8
Nov. 12	162.0	26.5	105.9	240.5	75.2	179.3	139.2	223.0	62.7	139.4
Nov. 19	169.5	26.6	108.1	243.8	75.6	182.9	140.7	226.1	62.6	140.9

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 24	156.43	144.83	176.18
Nov. 23	153.61	141.70	[illegible]
Nov. 21	158.59	145.62	178.31
Nov. 20	158.49	145.35	177.28
Nov. 19	160.47	145.36	177.70
Nov. 18	162.32	145.77	177.71
Month ago ..	151.92	136.74	155.15
Year ago ...	125.92	111.28	108.48
High, 1936 ..	163.24	150.46	178.46
Low, 1936 ...	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 24	79.0	96.3	90.6
Nov. 23	78.2	96.0	90.1
Nov. 21	78.9	99.7	92.8
Nov. 20	76.6	98.3	91.8
Nov. 19	78.8	98.0	91.6
Nov. 18	80.3	99.7	93.3
Month ago	76.8	88.4	84.5
Year ago	69.6	66.2	67.3
High, 1936	81.1	100.0	93.3
Low, 1936	67.2	69.5	68.9

Island Power Lawsuit Heard

Pref. Shareholder Sues Alleging Prospectus False

Judicial proceedings are under way at Hamilton, Ont., in the suit brought by Joseph M. Pigott, Hamilton contractor, against Nesbitt, Thomson & Co. Ltd., investment dealers, for recovery of $11,800 paid for Montreal Island Power preferred stock. The plaintiff alleges there was misrepresentation in the prospectus offering the stock for sale. This is denied by the defendant.

In giving his evidence Mr. Pigott said he understood from the prospectus that there would be a reliable head of water of 26 feet which would develop 65,000 h.p., and that all of the power was to be sold to Montreal Light, Heat and Power Cons. under contract, the development to be completed in four years. He also believed that under the terms of the contract the estimated net earnings, after taking care of the company's bonds, would be 7½ times greater than the dividend requirements on the preferred.

A Question of Water

The case apparently hinges on the point of whether or not there was sufficient water in the river to enable the development of 65,000 h.p. as was indicated in the prospectus.

Among the numerous witnesses called was J. S. Norris, president of Montreal Island Power and Montreal Light, Heat and Power Co.

"I placed my O.K. on the prospectus," Mr. Norris said under cross examination. "I since realized that the clause in the prospectus regarding the amount of power possible of development might have been qualified a little."

Mr. Norris further said he had relied on Nesbitt, Thomson & Co. to furnish details and he had accepted many of the investment dealers' statements believing them to have come from their engineers.

A. J. Nesbitt, president of Nesbitt, Thomson & Co., maintained that the power site was capable of producing 65,000 h.p. However he qualified it with the statement that 65,000 h.p. was possible under the terms of the contract for supplying the power. He said the amount named in the estimate would be possible through construction of an auxiliary plant.

The outcome of the case will have a bearing on several other similar claims.

Laura Secord Policy No Change in Shares

Neither a split in the shares nor an increase in the dividend is an immediate probability for Laura Secord Candy Shops' common stock, according to statements by F. P. O'Connor, president, at the recent annual meeting.

Recent rumors have suggested there might be a five for one split of Laura Secord shares, and Mr. O'Connor stated they are not authentic.

In discussing the possibility that the Dominion Government might eventually impose a tax on undistributed profits, similar to American legislation, Mr. O'Connor said he did not think such taxation was imminent. He described the company's dividend policy as one of providing for eventualities with the objective of building up $2 millions in reserves.

Shawinigan File Plans For Dam at Rapide Blanc

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co. plans construction of a timber crib dam to store in all seasons the water of Bouteille Creek in Laviolette County. The object of this dam is to ensure a uniform supply to the waterworks system for domestic use at the Rapide Blanc hydro-electric plant site.

Rentals Cover Stop and Shop Bond Interest

Amalgamation with Thrift Stores Said to Be Justified

SHARE INTEREST

Rentals from real estate, store properties and equipment of Stop & Shop Ltd. which have been leased to Thrift Stores Ltd., the operating company, will be sufficient to meet bond interest, depreciation and other charges of Stop & Shop Ltd., The Financial Post is informed. In the year ended Feb. 22, 1936, Stop & Shop Ltd. had an operating deficit of $30,251 before allowing for either depreciation or bond interest.

Investment interest of Stop & Shop Ltd. in Thrift Stores Ltd. consists of 7,455 first preferred shares, all of the 12,000 second preferred shares and about 55% of the common stock. These shares were purchased privately and in the open market. The issued capitalization of Thrift Stores Ltd. consists of 13,710 shares of 6½% cumulative first preferred stock, par value $25; 12,000 shares of 7% cumulative second preferred stock, par value $10; and 20,000 common shares, no par value. The first preferred stock is convertible into common on the basis of two common shares for each first preferred share and the second preferred on the basis of three common shares for each four second preferred shares.

Thrift Stores Has Promise

In a letter sent to shareholders of both Thrift Stores Ltd. and Stop & Shop Ltd., R. H. Hommel, president, states it is as yet too early to determine the extent of the benefits which will ensue from the amalgamation of the two companies. It is the opinion of directors, however, that the events of the past three months have demonstrated the amalgamation will be completely justified. Directors also feel that losses which Thrift Stores has been sustaining since 1933 will be checked and the business operated at a profit.

Earned surplus of Thrift Stores, the letter states, had been reduced from $86,034 as at March 28, 1936, to $29,997 on Aug. 8, the date of the amalgamation, as a result of operating losses of the company in the interval.

Takes Over Current Assets

Mr. Hommel discloses for the first time the arrangement between Thrift Stores and Stop & Shop Ltd. Following the acquisition of control of Thrift Stores by Stop & Shop, Thrift Stores acquired from Stop & Shop all its current assets, including inventories, and, in effect, took over the business of Stop & Shop as an operator of meat and grocery stores as a going concern.

The assets of Stop & Stop Ltd. acquired by Thrift Stores Ltd. included no real estate, properties or equipment, these being leased from Stop & Shop. Thrift Stores assumes no liability in respect to bonds of Stop & Shop Ltd.

The balance sheet of Thrift Stores as at Nov. 4, 1936, shows current assets of $879,525 and current liabilities of $546,221. There is also a deferred liability of $89,887, representing a note due March 28, 1936.

Working on Plan For Price Bros.

Scheme in Preliminary Stage — Pacona Asks Foreclosure

From Our Own Correspondent

MONTREAL.—A plan for the financial reorganization of Price Bros. & Co. in bankruptcy in opposition to that put forward by Pacona Ltd., is being prepared by representatives of the preferred and common stockholders. The scheme is only in a preliminary stage and will not be made available publicly for at least another week.

Any secondary plan will of necessity have to provide for redemption of the first mortgage bonds and payment in full of creditor claims. In order to make it more attractive than the one put forward by Pacona, a large share of the equity will have to be set aside for the preferred and common stockholders.

Pacona Ltd. has requested Montreal Trust Co., trustee for the bondholders, to declare the bonds of Price Bros. Co. due and payable as to principal, interest and premium.

Following the usual procedure, the trust company will presumably contact the company, following which a declaration to the desired effect will be made.

This move on the part of Pacona is in line with its announced intention to force the issue, but the belief is that interests representing the preferred and common stock shareholders will be able to secure sufficient capital to pay off the bonds before the property it put up for sale.

Montreal Power to Pay Longueuil Business Tax

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat & Power Cons. has been ordered by the court to pay the city of Longueuil $1,250 business taxes due for the years 1930 to 1935.

The company refused payment on the grounds the tax by-law was ultra vires, contending it did not carry out business in Longueuil as it had no establishment or place of business in the municipality. The company admitted it had transmission lines and supplied electricity to Longueuil but maintained it was not carrying on business within the meaning of the law. The court ruled that in supplying electricity within the city limits, and collecting money from customers, the company was doing business within the municipality, and therefore, was subject to the tax.

Canadian Pacific Express
Travellers Cheques
Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

Nova Scotia has one of the smallest per capita gross funded and temporary debts of any Canadian province.

$100,000
Province of Nova Scotia
3¼% Debentures
(Non-Callable)
Due June 1st, 1956
Denomination: $1,000
Price:
100.50 and interest, yielding 3.21%

Every investment portfolio should include a foundation of sound bonds.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg London, Eng.
36 King Street West
Toronto
TELEPHONE: ELGIN 4321
Ottawa Hamilton Vancouver London, Ont.

City of Sorel Bonds Offered at Premium

From Our Own Correspondent

MONTREAL.—Comptoir National de Placement Ltée. is making an offering of $238,000 4% serial bonds of the city of Sorel, maturing from 1937 to 1951, with the long term issue offered at 101.50 and accrued interest.

These bonds are a direct obligation of the city and have the approval of the Quebec Municipal Commission. They are callable at par and accrued interest at any time by the municipality.

Aldred Investment Reports Small Loss

From Our Own Correspondent

MONTREAL.—Aldred Investment Corp. (Canada) reports a net loss of $1,514 in the three months ended Sept. 30, 1936. This compares with a loss of $716 for the corresponding period of 1935.

The balance sheet at the end of September showed total assets of $2.5 millions, of which investments at book value amounted to less than $2.5 millions and had a bid or nominal value of $1,351,747.

$170,000.00
CITY OF ST. CATHARINES,
ONTARIO
2% AND 3½% COUPON DEBENTURES

SEALED TENDERS, endorsed "Tenders for City of St. Catharines Debentures," will be received by the undersigned until five p.m., Monday, 30th November, 1936, for the purchase of the following debentures:—

$ 20,000.00 Direct Relief 2% Serial Debentures, maturities 1-5 years.
$150,000.00 New City Hall and Police Station 3½% Serial Debentures, maturities 1-30 years.
$170,000.00

1. Debentures will be dated 1st December, 1936.
2. Coupons will be attached for the payment of interest at the rates indicated above, payable half-yearly.
3. Debentures will be payable both as to principal and interest at the Imperial Bank of Canada, Toronto.
4. Denomination of each debenture will be in $1,000.00 amounts.
5. The right is reserved to reject any or all proposals.
6. Offers for a portion of this issue will not be considered.
7. Payment for and delivery of debentures to be made at St. Catharines.
8. For further particulars and financial statement apply to the undersigned.

City Treasury Department,
St. Catharines, Ontario,
24th November, 1936.
STUART K. WATT,
Commissioner of Finance.

To the Holders of
CANADA STEAMSHIP LINES
LIMITED
First and General Mortgage
6% Gold Bonds Series "A"

A Plan of Reorganization has been prepared by the Company and has been approved by the Bondholders Protective Committee, which was constituted by the terms of the Deposit Agreement dated as of April 18th, 1933. A copy of the Plan and other important documents will shortly be forwarded to all Bondholders of whom the Committee has a record. If you have not already done so please send your name and address to the Secretary, Bondholders Protective Committee, Canada Steamship Lines Limited, Room 101, 355 St. James Street West, Montreal, Que., in order that you may be kept fully informed.

Dated at Montreal this 21st day of November, 1936.

BONDHOLDERS PROTECTIVE COMMITTEE
CANADA STEAMSHIP LINES LIMITED
T. BRADSHAW, Chairman.

We Invite Inquiries Regarding
COCKSHUTT PLOW COMPANY LTD.
DISTILLERS CORP. — SEAGRAMS LTD.
IMPERIAL OIL LTD.
TORONTO GENERAL TRUSTS CORP.
Analyses Upon Request
Doherty Roadhouse & Co.
Members The Toronto Stock Exchange
293 BAY STREET - - TORONTO

MINES AND INDUSTRIALS
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TORONTO·MONTREAL·NEW YORK
BRANCHES
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297 BAY ST.
ELGIN·9124
HEAD OFFICE
TORONTO
25 RICHMOND ST., W.
ADELAIDE·4902
BRANCHES
HAMILTON
IMPERIAL BLDG.
MAIN & HUGHSON STS.
BAKER·1126-7-8

Bond Markets

Higher Interest Rates Forecast by Kemmerer

British Court Upholds Gold Clause in Bonds— Western Provincial Bonds Continue Upward Movement

Despite dull trading high-grade Government bonds continue to record minor advances. To date the market has recovered about half the ground it lost during last September and October.

Western provincial bonds continue to feature the Government list, British Columbia, Manitoba and Saskatchewan issues recording further gains. Alberta bonds for the second successive week have eased off slightly.

Increased demand has resulted in firm prices for corporation issues, with Abitibi Power and Paper 5's featuring the list with a gain of 6½ points to 74. Informed circles are unable to explain the renewed interest in these bonds since there have been no recent developments.

Bonds of Quebec power companies which had contracts with the Ontario Hydro cancelled have advanced as a result of the decision of the Supreme Court of Ontario that Ottawa Valley Power has the right to test the validity of the legislation cancelling its contract. Ottawa Valley Power bonds jumped seven points and then receded to 82 for a net gain of three points.

The Ontario Municipal Board hearing on the Mimico debt adjustment plan is expected to be completed in the near future. The scheme has been opposed by the town of New Toronto because it makes no final disposition of Mimico bonds guaranteed by New Toronto.

Interest Rates

ACCORDING to Edwin W. Kemmerer, professor of international finances at Princeton University, the United States is facing a long period of rising commodity prices which ultimately will force interest rates up despite the cheap money policy of the Government.

Prof. Kemmerer's analysis of the situation is of special interest to Canadian investors since there is a close relationship between the cost of money here and in the United States. A substantial rise in interest rates means a substantial decline in the market value of long-term bonds.

What Prof. Kemmerer failed to say in his address before the American Finance Conference at Chicago was the time when this rise may be expected. He stated that the exact timing of the rise, in his opinion, is impossible because it will depend not only on economic factors but also on such intangibles as mass psychology, confidence and politics, both at home and abroad.

At the present time there is certainly no indication that a period of rising interest rates is in prospect in the near future. Recent price movements in the bond market suggest that institutional buyers are not concerned about such an eventuality.

Many students of finance are in disagreement with Prof. Kemmerer and most experts are of the opinion that a sharp rise in interest rates is further away than Prof. Kemmerer thinks. They believe that governments today, both directly and indirectly, hold such wide power over the money market that the trend of interest rates can easily be controlled and guided.

* * *

Gold Clause Decision

JUST when most people were beginning to think that the gold clause in bonds was a thing of the past the whole question rears its head once again as a result of a decision of the Court of Appeals in Great Britain that British Government bonds payable in gold in New York are governed by English and not by American law. The court held that the bonds must be paid, if payment be demanded in New York, in current dollars in an amount equivalent in value, at the time specified for payment, to the value of the gold dollars contracted in the obligation. As a result of the decision Great Britain 5½'s rose sharply from 105 to 125-130.

From a strict legal viewpoint it is interesting to ponder the effect of the decision on Canadian Government obligations payable in New York. Should the Court of Appeal's decision be upheld by the House of Lords the consequences might be serious to this country. If the House of Lords upholds the gold clause in British Government obligations it is almost certain that the Privy Council, Canada's last court of appeal, would uphold it in Canadian Government bonds.

Looking at the question, however, from a practical standpoint, it must be admitted that there is no possibility of Canada meeting its obligations or even a small part of them by payment in gold. The Government could not afford to make such payment. The Dominion Government may follow the example of United States and abrogate gold clauses from all contracts, making the legislation retroactive.

* * *

Bond Index

THE trend of the high-grade bond prices is indicated below:

The Financial Post Index of Average Price and Yield High-Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Nov. 24	116.21	3.099	Nov. 23	111.61	3.604
Nov. 23	116.21	3.099	Nov. 22	111.61	3.604
Nov. 21	116.34	3.089	Nov. 21	111.61	3.604
Nov. 20	116.34	3.089	Nov. 20	111.61	3.604
Nov. 19	116.37	3.087	Nov. 19	111.61	3.604
Nov. 18	116.32	3.090	Nov. 18	111.59	3.601
Year's	117.91	2.966	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

No Bond Interest Godfrey Realty

Godfrey Realty Corp., owner of land and the Confederation building at the corner of McGill College Ave. and St. Catherine St., Montreal, will not pay bond interest due Dec. 1 next, according to advice to bondholders from Century Bond and Management Co. The plan of adjustment agreed upon three years ago called for bond interest on the $1,400,900 of 6% first mortgage bonds outstanding at 6% from Dec. 1, 1936.

However, Godfrey Realty Corp. advises that on Dec. 1, a payment of 1½% on account of the "certificate of indebtedness" attached to the bonds will be made. To this amount will be added interest at the rate of 6% per annum on the deferred interest.

This means that on a $100 par value bond, the total payment will be $1.72; on a $500 par value bond the payment will be $8.60; on a $1,000 par value bond the payment will be $17.20. Payment will be secured by presenting installment coupons G to any bank.

A GENERAL SALES EXECUTIVE

WHOSE LONG RECORD CONFIRMS ABILITY TO ACHIEVE VOLUME AT A PROFIT

Would like to discuss matters with either leading house not entirely satisfied with its trade position, or coming, well-financed organization which feels it needs the final touch of informed and vigorous sales management to attain its maximum possibilities.

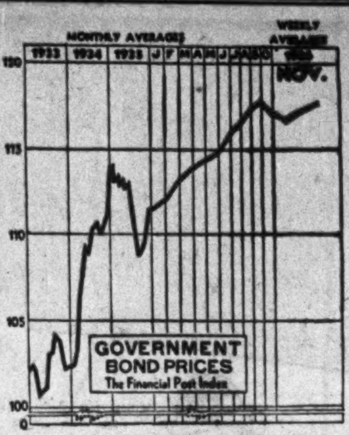
Now and for some years, general sales manager for outstanding profit maker, though not the largest house in its field.

Previously associated in similar capacity with large national concerns who reached their peak volume and profits during his service.

Successful in development and management of large sales forces. Selling to retailers — direct sales to jobbers—outstanding promotion ability — with his best work still to do — accustomed to substantial earnings based largely on performance.

Interviews with principals only.

Box 4,
The Financial Post, Toronto



Municipal Finances

Village of Macamic, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons dated May 1, Oct. 1 and Nov. 1, 1933.

* * *

Calgary, Alta., reports that cash revenue for the first 10 months of 1936 was $67,000 higher than in the same period of 1935. Total collections from all sources amounted to $3,741,510, compared with $3,674,239 in the same period of 1935. Collections were as follows: General taxes, $2,313,602; business tax, $195,384; special taxes, $211,100; prepayments, $5,137; arrears of taxes, $659,069; licenses, $367,215.

* * *

Chicoutimi School Commission has been authorized by the Quebec Municipal Commission to pay interest coupons of Nov. 1, 1936, and also interest from May 1, 1936, to Nov. 1, 1936, on bonds which are past due.

* * *

Moose Jaw, Sask., reports higher collections of both current and arrears of taxes and a reduction in both current and capital loans as at Oct. 31, 1936. Current tax collections in the first 10 months of this year totalled $374,761, compared with $361,875 in the same period of 1935. Collections of arrears totalled $283,284, compared with $269,179.

Current loans at Oct. 31 last amounted to $232,543, compared with $326,640 at the same date in 1935. Capital loans in the same period were reduced from $502,140 to $373,343.

* * *

Begin Twp., Que., to pay coupons of April 1, 1934, on all of its bonds.

* * *

Vancouver, B.C., has authorized Mayor Gerry McGeer to ask the Provincial Government to grant the city in 1937 more than the $270,000 financial relief provided in the recent provincial budget. The Government is also to be asked to pass special legislation, similar to the present Enabling Act, to permit the city to levy for sinking fund purposes while not paying the sum levied into the fund pending the collection of tax arrears.

* * *

Regina, Sask., separate school board reports an improvement in its financial position as at Sept. 30 last. Tax collections show slight improvement, 33.8% of the levy having been collected to the end of September, compared with 30.4% in the same period of 1935. Loans have been reduced by $16,127 to $26,961.

* * *

Saskatoon, Sask., finances are reported to be in a better position than at any time since the beginning of the depression. In his report covering operations for the first nine months of the year, City Commissioner Leslie forecasts a surplus of from $25,000 to $30,000 on 1936 operations. This surplus is contingent upon the Local Government Board authorizing transfer of sinking fund earnings to current revenue account to the full extent anticipated in the budget. During 1936 to date the loan on current account has been reduced by $157,000.

The only discouraging feature of 1936 operations is the loss of sinking fund income as a result of the action of the Province of Alberta in cutting interest on its bonds. Saskatoon holds $686,000 of Alberta bonds and the loss in interest in 1937 will total $19,967.

* * *

Winnipeg, Man., reports that an increase of $90,000 in tax collections in the first 10 months of 1936, compared with the same period of 1935, may enable it to balance its budget for the current year despite an over-expenditure of $180,000 not provided for in the budget. Collections to Oct. 31 totalled $8,534,749.

* * *

East York Twp., Ont., to Oct. 31 collected $648,744 or 58.6% of its regular 1936 levy. Of the special relief levy of $101,232 there has been collected $40,618. The percentage of collections for the current year is the highest since 1932, although the amount collected in that year and in 1933 was greater because of a higher levy.

Should there be a surplus in relief account from the $100,000 special levy imposed for that purpose, the township will be allowed to use that surplus to lower relief requirements in 1937, A. J. B. Gray, supervisor, has informed the council.

* * *

Trenton, Ont., tax collections up to Oct. 19, 1936, were $22,824 ahead of the same period of 1935. In the same period unemployment relief costs were reduced by $20,000.

* * *

Swift Current, Sask., reports a deficit of $4,347 on current account in the first nine months of 1936. Revenue amounted to $191,358 and expenditures to $195,705. Collections of current taxes amount to 52.8% of the levy and of all taxes to 68.5%.

* * *

London, Ont., reports that collections of the current tax roll to Oct. 31 amounted to $2,842,281 or $79.8% of the roll. This is an increase of 1.1% over the corresponding period of 1935. Receipts, however, were $38,664 lower than in the same period of 1935 as the 1936 tax roll is about $100,000 lower than in 1935.

Ottawa Seeks $409,586 from Can. Cottons

Make Tentative Assessment For Taxes Not Paid

From Our Own Correspondent

OTTAWA. — The definite statement that the inventory reserves of the Canadian Cottons Ltd., created by the use of special discounts from the list prices of the inventory, had not been disclosed to the taxing authorities, was made by C. Fraser Elliott, commissioner of income tax, before the Turgeon commission enquiring into textiles.

Claim $409,586

A tentative assessment of $409,586.50 for income tax and business profits tax allegedly owing but not paid covering the period 1916 to 1936 has been claimed by the department, Mr. Elliott asserted.

Questioned by Mr. McRuer, witness said that this did not include interest nor penalties, while the figures for the last three years were still being surveyed.

In four of the past 20 years the company overpaid its income tax, because of withdrawals from the "hidden reserve," it was disclosed, and was entitled to credits from the department.

Assessment Disclosed

The assessment of the department was stated by Mr. Elliott to be as follows:

1915	$ 7,560.09
1916	77,436.44
1917	64,706.64
1918	130,554.98
1919	78,888.61*
1920	101,999.14
1921	132,176.28*
1922	21,160.04
1923	50,042.26
1924	10,768.93*
1925	14,768.75
1926	57,800.47
1927	400.22*
1928	16,040.35
1929	nil
1930	452.71
1931	nil
1932	nil
1933	nil
1934	15,066.83
1935	59,452.32
1936	14,779.97

*Credit for overpayment.

Protest Publicity

A. S. Bruneau, counsel for the company, made a spirited protest against the public disclosure of the details of the income tax returns filed by Canadian Cottons.

He submitted that it was irrelevant and improper to obtain from income tax officials opinions which, he claimed, would prejudice the case in the most literal sense. He asked that the trial of the issue be left to the proper forum, which he deemed to be the Exchequer Court.

Hon. W. F. A. Turgeon, however, overruled his objection, pointing out that the commission had been instructed to obtain information regarding the profits of the textile companies.

Bond Tenders

5 p.m., Dec. 10, Montreal West—$210,000, 3½% bonds dated Nov. 1, 1936, redeemable serially from Nov. 1, 1937, to 1956. Chas. I. Fraser, sec.-treas.

To Dec. 7, Laval sur le Lac, Que.—$46,000. H. Gohier, sec.-treas., 10 Saint James St. W., Montreal.

4 p.m., Dec. 4, Isle Cadieux, Que.—$43,000, 4% bonds, redeemable serially to Sept. 1, 1962. F. X. Nixon, sec.-treas., 4110 Marlowe Ave., Montreal.

Vancouver in Good Shape Statistically Speaking

Decrying the arguments of those civic officials who see possible bankruptcy in store for Vancouver unless interest on its bonds is reduced, G. Lyall Fraser, prominent Vancouver investment dealer, in addressing the civic bureau of the Board of Trade of that city, stated that statistically the finances of Vancouver are in comparatively good shape.

Comparing the city's debt position with that of Winnipeg, Montreal and Toronto, Mr. Fraser pointed out that both Montreal and Winnipeg have a larger gross debenture debt per capita. If, on the other hand, the net debenture debt per capita, that is gross debenture debt less sinking fund, is taken, Winnipeg holds the most favorable position with Vancouver in second place.

In the table shown below are comparative financial statistics for the four cities, compiled by Mr. Fraser.

Pointing to the per capita tax arrears of $33.64 in Vancouver, compared with $21.39 in Montreal, $15.87 in Vancouver and $14.54 in Toronto, Mr. Fraser asked whether this was due to the continual postponing of tax sales in the western city.

In this connection it was pointed out collections of arrears improved in 1936 when there was a more serious threat of holding a tax sale.

In regard to relief expenditures, Mr. Fraser pointed out that in the six year period 1930-35, Toronto capitalized $8.4 millions of relief costs, Winnipeg $6.2 millions and Montreal $28.4 millions. Vancouver, on the other hand, has paid its relief expenditures out of current account, these expenditures amounting to more than $3 millions. In this connection it should be pointed out, however, that Vancouver has not met its sinking fund payments, and that the fund is at present about $8 millions in arrears.

Financial Statistics
Per Capita Figures

	Vancouver	Winnipeg	Toronto	Montreal
Population (1935)	247,558	224,998	638,271	847,000
Assessed value for taxation	$995.00	$932.00	$1,591.00	$1,120.00
Taxes levied, 1935	44.69	42.06	55.65	36.77
Tax levy	9.20	13.23	9.92	10.92
Unpaid, 1935	20.6%	31.4%	17.8%	29.7%
Accumulated tax arrears	$33.64	$15.87	$14.54	$21.39
Tax sale lands	3.12	26.27	.53	....
†Gross debenture debt	291.02	344.93	286.53	350.39
Net debenture debt	228.56	197.83	244.09	309.02
▲Net debenture debt	210.29	51.57	132.85	282.87

▲After deduction of public utility debt.

†Does not include floating debt as follows: Vancouver, $7,319,282; Winnipeg, $7,259,059; Toronto, $7,800,821; Montreal, $33,586,479.

Bond Sales

Grimsby

Town of Grimsby, Ont., has sold $8,660 of 4½% installment debentures, maturing Nov. 2, 1937-41, to Isard, Robertson & Co. Ltd., London investment dealers, at a price of 100.25.

Lennox and Addington

The United Counties of Lennox and Addington, Ont., have sold an issue of $25,000 of 3½% debentures to the Dominion Bank at par. The issue is divided into two maturities, $15,000 falling due in 1939 and $10,000 in 1940. Two other bids were received: J. L. Graham & Co. offering 101 and R. A. Daly & Co. Ltd., 100.50.

Twp. of Tisdale

Township of Tisdale, Ont., has sold $150,000 of 5% debentures due Dec. 1, 1937-51 to a syndicate composed of W. L. McKinnon & Co., syndicate managers; McLeod, Young, Weir & Co.; Cochran, Murray & Co. Ltd.; Dyment, Anderson & Co.; Draper Dobie & Co. Proceeds of the issue are to be used for waterworks and sewerage purposes. The 1937-41 maturities are being offered to yield 4.25%, the 1942-46 maturities to yield 4.50% and the 1947-51 maturities at par plus accrued interest.

An additional issue of $80,000 of 5% bonds, due 1937-51, for waterworks and sewerage purposes, has been sold to a syndicate composed of W. L. McKinnon & Co., syndicate managers; McLeod, Young, Weir & Co.; and Draper Dobie & Co. The offering price of this issue is the same as above.

Swansea

Village of Swansea, Ont., has sold $117,680 of 4½% bonds, due Dec. 1, 1937-48, and $24,545 of 4½% bonds due Dec. 20, 1937-62, at 102 to Harrison & Co.

On Oct. 26 last the village sold $21,254 of 4½% seven-year installment bonds, due 1937-43, to Aird, McLeod & Co. at 100.

Suggests Bondholders Buy in Staveley Apts.

H. S. Black, secretary of a Bondholders Protective Committee for Staveley Apartments first mortgage bonds, has circularized the holders of these securities suggesting that the bondholders make an offer to purchase the property. Offers for the property, a 3-story, 48-suite apartment in an eastern district of Toronto, will be considered at a special meeting of the bondholders called for Nov. 30 next, by the London and Western Trust Co.

Mr. Black contends that as most of the $86,850 6½% first mortgage bonds have already been deposited with the committee, the mortgage required to pay the balance of the purchase price should be small.

Public Utility Earnings

Brazilian Traction

October:	1936 $	1935 $	Increase $
Gross earn.	2,844,657	2,535,889	308,768
Op. expen.	1,291,719	1,206,842	84,877
*Net earn.	1,552,938	1,329,047	223,891
10 Months:			
Gross earn.	26,445,255	25,369,380	1,075,875
Net earn.	14,494,196	13,630,983	863,213

*Before depreciation and amortization.

Southern Canada Power

October:	1936 $	1935 $
Gross revenue	189,351	182,827
Operating expense	79,495	74,990
Net earnings	109,856	107,837
Less: Int., deprec. & divs.	108,721	107,968
Surplus	1,135	*131

*Deficit.

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HOME IMPROVEMENT PLAN

A NATION-WIDE CO-OPERATIVE EFFORT
to
Improve Canadian Homes
and
Employ Canadian Workmen

THE SITUATION TODAY: *Every community* contains homes that have needed repair or improvement for the last six years. *Every community* has skilled workmen who are unemployed.

MEETING THIS SITUATION: The National Employment Commission, with the Home Improvement Plan, invites each home owner to make repairs, improvements and additions to urban and rural dwellings and barns, in concerted action with all other Canadian home owners.

It plans to mobilize across Canada a vast co-operative effort of home owners, banks, contractors, supply firms and business and service organizations generally, to restore, improve and brighten the homes of Canada, and at the same time provide legitimate work for the unemployed.

SIMPLIFIED FINANCING, THE KEYNOTE

For those who have not the ready cash on hand, it provides a simple plan of financing these improvements. You decide what improvement your home needs; get an estimate on the cost of the job and arrange for a loan with any chartered bank or approved lending institution, by satisfying them that you can repay the loan in instalments, out of income. No security or endorsement is needed and there are no service or investigation charges; no red tape of any kind. Maximum loan on any one property $2000. Terms of repayment up to three years. Discount rate 3¼% — said by experts to be the lowest instalment repair plan rate that has ever been known at any time in any country. The aggregate limit of loans under this Plan is $50,000,000 and the limit of the Government risk in protecting the banks up to 15%, is $7,500,000.

DON'T LET WINTER STOP YOU

There is no need to wait for the Spring for the Plan permits a wide range of jobs that can be executed anytime, regardless of weather — thus putting men to work at once. Any reputable contractor, builder or supply house, working in conjunction with your banker, will gladly help you draw up a programme.

YOUR CO-OPERATION IS VITAL

The value of the Home Improvement Plan lies in its wide acceptance — it is what YOU do with it that counts. It is an immediate way of taking men off relief rolls and putting them on pay rolls. Your hearty co-operation is looked for. It is a great opportunity for you, and for Canada.

The "Home Improvement Plan" official booklet can be obtained from the National Employment Commission, Ottawa, Ontario, or from your bank.

National Employment Commission

UNDER THE AUTHORITY OF THE DOMINION GOVERNMENT

(The cost of this series of advertisements sponsored by the National Employment Commission, has been defrayed entirely by public-spirited concerns and individuals as a contribution towards that "Nation-wide co-operative effort" envisaged by the Parliament of Canada in the National Employment Commission Act.)

HOME OWNERS

ATTENTION!

Thorp-Hambrock Company, Limited, makers of quality paints, varnishes, lacquers and enamels, offers its co-operation in the Dominion Government's Home Improvement Plan.

The facilities of this organization are available in this effort to improve homes throughout the Dominion and to provide work for those who are in urgent need of employment.

THORP-HAMBROCK CO. LIMITED
MAKERS OF
PAINTS, VARNISHES, LACQUERS & ENAMELS
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TORONTO, NOVEMBER 28, 1936

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

10. Wider Markets for Agriculture

SINCE the middle 1920's Canadian agriculture has been in low gear. On the whole, output of crops, livestock and dairy products has been below normal. Of even more significance, is the fact that the morale of the farmer has also been below normal.

Emphasis has been taken off production. In some quarters a defeatist policy has been in evidence. Our farmers have been told they must produce less because they can not find new markets or even retain old ones. When a big crop did come along there was deprecation as though we should feel ashamed of the abundance of nature.

If proof was necessary of the folly of attempting to regiment farmers then it has been furnished by the experience of the world in the last two or three years. Artificial schemes aiming at rigid regulation have proved dismal failures. The United States was brought perilously close to famine conditions, resulting in record peak time prices to consumers. In Canada, where we depend on export trade to carry our overhead costs, any policy of curbing farm production would be suicidal. It would quickly eliminate what is still Canada's greatest industry and one which, unlike so many others, actually grows richer with use. When gold or coal is removed from the mine only a hole is left but there is no depletion of reserves on the properly tilled farm. European fields after one thousand years of continual cultivation are today more fertile than ever.

During our era of greatest agricultural expansion we were content to follow the simple and effective policy of growing what we could grow best. Such a policy provided us with profitable world markets for our surplus and with a quality reputation that still survives even in this period of post-war nationalism. In a return to such conditions lies our only hope for getting Canadian agriculture back into high gear.

Only with wider and stable markets can we hope to grow and sell profitably the maximum production of our present Canadian farms. And such production should not mean only an annual export of 200 million bushels of wheat and 200,000 head of cattle, figures considered satisfactory at present, but upward of 300 millions of wheat and 300,000 head of cattle. Nor could these increases be considered more than partial gains in a country which still possesses millions of acres, capable of being turned into good farms, as well as other acres at present not producing 50% of what they might produce under the most efficient management.

Wider markets would put these idle acres to work and would attract immigrants of the best type. They would provide a livelihood for a million young people growing up in rural Canada today. Accompanying the gradual expansion, present efforts directed toward more profitable production and diversification within the limits of "growing what we can grow best" would have to be continued. New customers of our exports would have to have reasonable assurance of uniform quality and supply and of willingness on our part to accept return cargoes.

Such a national policy would put new life and new prosperity into Canadian agriculture, and incidentally also into that very large proportion of our urban population that is directly dependent upon it. Any effort to gear our farm production to domestic markets will set Canada back two generations.

But the King Can Do Wrong

THE Court of Appeal in Ontario was not unanimous in its decision on the right of the Ottawa Valley Power Company to sue the Ontario Hydro-Electric System. No doubt the Privy Council will have to decide finally what are the rights of a province to deny its citizens access to the courts.

The law is apparently simple enough in matters that are well within the legislative jurisdiction of a province. In such a case, no one can sue the Crown without a fiat from the attorney-general. But supposing a province passes legislation which may not be within its jurisdiction; where there is at least serious doubt. Can it then deny its own or outside citizens access to the courts to test that legislation? The Court of Appeal has in effect said that a province has no such power. We know nothing of the law on the matter but undoubtedly this is the only common sense view to take.

In a great deal of legislation in recent years, governments have taken it upon themselves to bar access to the courts. It is bad enough when governments seek to protect themselves arbitrarily against civil proceedings by the citizens. It is infinitely worse when this arbitrary protection is extended to commercial enterprises operated by governments in competition with the commercial enterprises operated by the people themselves as private citizens.

Mr. Aberhart in Alberta and Mr. Roebuck in Ontario are jeopardizing private liberty in Canada by their attempts to close the courts to the just appeals of citizens for redress against the wrongs done them by politicians.

The old legal adage that "The King can do no wrong" is stretched a great deal when it is made to read that men like Aberhart and Roebuck or the officers of a publicly owned utility can do no wrong.

Modernization Plan is Timely

SOME impatience is evident in construction and house equipment circles regarding the slowness with which the general public is accepting the new home modernization policy of the National Employment Commission. There may have been a few observers who expected the banks would be flooded with applications immediately after the scheme went into force this month.

Such a sudden movement was not possible, nor would it have been altogether desirable. In matters concerning his home, the average owner is conservative. In this case he is dealing with a long-term investment and one that concerns every member of his family. Decisions are made only after much consideration.

The chief opportunities for home modernization occur in the early fall and late spring. They coincide with the semi-annual house cleaning. Once these periods pass the average home owner hesitates to make important changes. This means the full effect of the new national scheme will not be felt before next March or April.

In the meantime the Employment Commission has acted wisely in getting its plan into operation at once. The intervening months between now and spring will allow a much needed opportunity for bankers, home owners and construction and equipment companies to get themselves fully familiar with all details of the plan. There will be time for minor revisions, the necessity for which is never apparent until any comprehensive scheme of this kind is actually applied.

There will be ample opportunity for parliamentary discussion and matured approval. The industries which stand to benefit directly will have a breathing spell in which to arrange funds to finance a vitally needed publicity campaign. Getting these home improvements started at once should do much to ensure efficient operation and maximum volume when the natural time comes for extensive home alterations next spring.

Hepburn's Plan Lauded in Press

IT IS significant that Ontario Premier Hepburn's recent proposals for an elimination of duplicatory activities between Ottawa and the provinces have been widely approved in the press of Canada. When the provincial premiers and treasurers meet in Ottawa on Dec. 9 and when the agricultural ministers meet Dec. 14 there will be ample opportunity to discuss many possible economies along this line.

The country is bound to benefit from anything that reduces waste in public expenditure. When money is saved this way it simply means that there will be more money left in the pockets of farmers and workers.

Mr. Hepburn has shown himself, throughout his term of office, seized of the high importance of budget balancing and economical administration. The Financial Post has differed with him on many policies but it has nothing but the highest commendation for his single-minded attention to the problem of cutting Government costs.

The Art of Getting Elected

RECENTLY a man was elected mayor of a large western city whose chief qualification for the office was that he had been in and out of municipal politics for many years and knew how to get elected. Few people gave him credit for any great amount of ability as a municipal administrator.

In Toronto shortly there will be civic election which is typical of many such elections in the metropolitan centres of Canada. There will be two chief mayoralty candidates. One will be a man who has been in council off and on for a generation. He has picked up a good working knowledge of how civic business is run but it is not claimed for him that he is an administrator of very remarkable attainments. No doubt he will poll a very large vote from people who think that when a man has served his city for somewhere in the neighborhood of 30 years he is entitled to at least one term as mayor before he retires into obscurity.

The other candidate is a retired businessmen, who has been in city council for several years during which time he has distinguished himself by his industry in probing to the bottom of the city's financial problems. He has never been a colorful figure and on election day will suffer from the fact that it is hard to dramatize and "build up" in the public mind a man who has more common sense than color. (That was proven in the United States on Nov. 3).

In the larger Canadian cities the best men do not always get elected. Sound constructive leadership and financial guidance are missing more often than they are present in high civic offices.

Fortunately, in the smaller cities and in the towns the opposite is usually true. The citizens go to the polls and often elect to office their best and most able citizens.

Editorials in Brief

The King, we read, visited Aberdare, Penrhiwceiber, Usk and Hafod in Wales. It's a hard life, being a king.

• • •

Battleship makers have it on the automobile dealers. They do not have to take old battleships in exchange for new ones.

• • •

Sale of securities of companies incorporated under Dominion charters is to be under the control of the various Securities Frauds Prevention Acts of the provinces. Now, to be consistent, how about having the provinces adopt companies acts at least as good as that of the Dominion?

"WILL SANTA CALL THIS YEAR
AT DISTRICT'S NEEDY HOMES?"
—Edmonton Journal Headline.

No, the Journal is not discussing Aberhart and Social Credit. The reference is to that paper's Sunshine Santa Claus Fund.

• • •

The newspaper resulting from the merger of the Globe and Mail in Toronto reminds one of the old recipe for beef and kidney pie: one beef, one kidney.

A couple of weeks ago we reported that the Mail and the Globe were waging a merry battle to see which one could appear on the streets first.

On Monday last the Globe appeared and the Mail did not come out at all.

• • •

The St. Catharines Standard thinks that the worst has happened already to Alberta creditors. But is it not too early to say that? It is not beyond the bounds of possibility that the Aberhart Government would abandon all interest payments on the province's bonds; that it would further reduce interest rates on private debts; that it would impose a capital or income levy that would virtually wipe out investments in the province. All of these things have at one time or another been proposed or hinted at by members of Mr. Aberhart's entourage.

• • •

An Akron, Ohio, newspaper girl describes the scene in a Toronto court when 30 attorneys sat in "robes, stiffly starched tabs and white spats, and in some cases monocles." They addressed the judge as "My Lud."

The Financial Post would be interested in the names of the 30 Toronto lawyers who wear white spats in court and even more interested in knowing which of them wear monocles.

A girl with the imagination of the Akron reporter could surely have conjured up white wigs for the Toronto lawyers.

• • •

In a letter published in this issue R. O. Sweezey, Montreal engineer and financier, urges that Canada's acceptance of the St. Lawrence waterway advances of President Roosevelt should be conditional upon Canada obtaining a duty-free market for the products of the chemical and metallurgical industries that we could develop to use our share of the power.

Mr. Sweezey does a good service in raising such a point. Too often we have been quixotic in accepting the short end of bargains with the United States. If Washington presses for the waterway we should not hesitate to insist upon good terms for Canada in the treaty.

Sayings of the Week

"I can see nothing alarming in our economic or political future."—*Jesse H. Jones.*

• • •

"There is no real economic antipathy between agriculture and industry."—*George N. Peek.*

• • •

"Democracy has to learn reason in redressing the wrongs of society."—*Sir Robert Falconer.*

• • •

"Let us pray that we shall never have to live in a totally predictable world." — *Will Durant.*

• • •

"Banking as a business career is dead. Banking as a profession is in its infancy."—*James P. Warburg.*

• • •

"The Alberta oil industry is said to be flourishing. It is out of politics." — *The Regina Leader-Post.*

• • •

"It is axiomatic that if you want good government you have to fight a little to get it."—*Herbert H. Lehman.*

• • •

"Every act of injustice on the part of the rich will be met by another act or many acts of injustice on the part of the people." — *Louis D. Brandeis.*

• • •

"In the only sense in which nationality or independence is valuable, Canada has them both." *Dr. H. L. Stewart, professor of philosophy, Dalhousie University.*

• • •

"Five years ago Britain was leading the world along a road which could have brought us peace. Today the very reverse is true."—*Hannen Swaffer, noted London journalist.*

• • •

"Out of Fascism something may emerge. It means the end of parliamentary democracy as we have known it, but the various peoples have only themselves to blame."—*Lord Rothermere.*

• • •

"Canadian democracy today is on trial. Either you will save it with economic freedom or you will have either Fascism or Communism."—*Hon. H. H. Stevens, addressing Vancouver businessmen.*

• • •

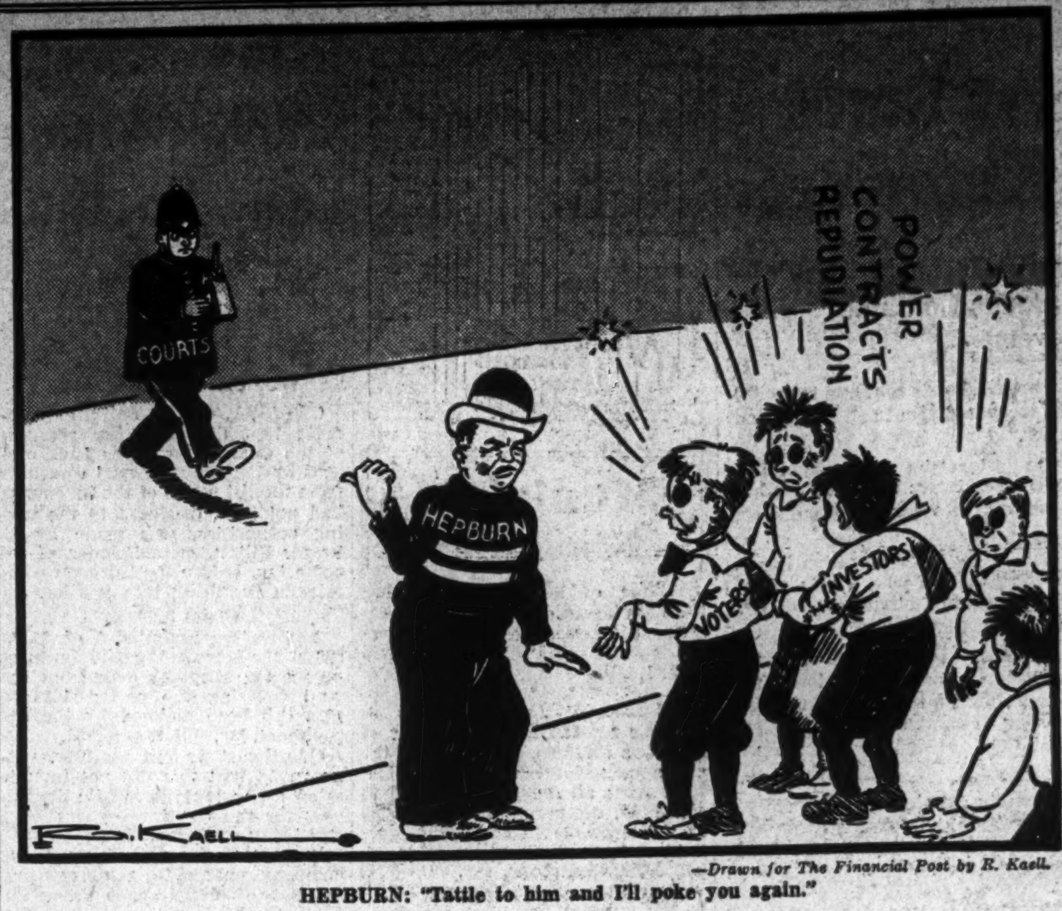
"We have had the first normal year since the trade war, and the general attitude of the Japanese to Canada in the matter of trade is satisfactory." — *Robert S. O'Meara, Canadian Trade Commissioner at Kobe.*

• • •

"We should build up a new and up-to-date warehouse system into which should be taken the surplus products of the soil which, as experience over the ages has shown us, have always been used up."—*Bernard M. Baruch.*

• • •

"If democracy means that everything must be levelled down, if real merit and real ability must give way to a rule of the mediocre, then democracy is the most damnable thing imaginable."—*Joseph McCulley, Head Master, Pickering College.*



—*Drawn for The Financial Post by R. Kaell.*

HEPBURN: "Tattle to him and I'll poke you again."

First Task of the Church

"If I could sum up all I have read and heard in the past two weeks it would be a lamentation over the shipwreck in Canada of moral obligation."

This is the word brought to his congregation this week by Dr. George C. Pidgeon, of Toronto, after a special mission to several of the provinces on behalf of the Protestant churches of Canada.

"I am not going to touch on political and economic sides of the problem; that is for public men and business men to deal with," said Dr. Pidgeon. "My concern is for the breakdown of conscience, the feeling in many places that it has no bearing on public affairs—the disappearance of integrity from wide stretches of our life.

"Legislatures are violating their own covenants and are facilitating the escape of their citizens from obligations which they themselves assumed. Great firms evade, or defy the law to avoid giving the state its due. The conviction of what one ought to do in his dealings with his neighbor has given way to the consideration of what one can get away with.

"This is not universal, thank God. In spite of the tendencies of the time toward repudiation and the connivance of authorities, many are found standing by their signatures and keeping their plighted faith even where the law has no hold on them. But too many welcome any escape from any pledge given in the past which is inconvenient in the present."

To Dr. Pidgeon, this is the place where the work of the church begins. "To rebuild moral conviction is the first task of religion." Many have been looking forward to a new social order, he told his congregation last Sunday, but "if justice and truth, honor and honesty, duty and obligation between man and man disappear, no foundation remains for the old order, still less for one which is nearer the ideal. Those who deny these virtues their full sovereignty are laying up a store of calamity for themselves for where men cannot trust they cannot co-operate. Unless Canadians become a people whose sense of right governs both their laws and their dealings, they will become a reproach and a byword to any faith they profess."

Manion on Railways

By HON. R. J. MANION,

Former Minister of Railways and Canals, writing in his new autobiography, "Life is an Adventure."*

On this subject I should know a little, because I gave five years of intensive study to it during our régime. I accomplished something, too, in placing the Canadian National, probably for the first time in a dozen years, in the position of being economically managed, thus saving the people of Canada many millions of dollars per year.

The idea seems to be current, among businessmen particularly, that by amalgamation—or unified management, which is another name for the same thing, eventually—the railway problem can be solved, and by no other method. If that were true, we should all support it, but it is not true. Unified management, whether under public ownership or private, would set up a monopoly in transportation which the people will not tolerate, and would constitute menace to our whole public life because of the huge voting power possessed by such an immense organization. At any rate we have enough public ownership now to give it a fair trial. But economies are urgently needed, for Canada cannot go on indefinitely paying 50 million dollars per annum for the Canadian National.

I submit that practically the same economies can be made under co-operation as under unified management, if co-operation is enforced between the two railways.

No Attempt Yet Made

So far there has been almost no attempt to bring this about, due to the rivalry between the two managements as to which will secure most traffic. Our trustees accomplished almost nothing in this regard, though half the blame for their failure should go to the private company. Enforced co-operation can only be brought about under either a one-man dictator, or a strong commission. In our neighboring Republic there has been appointed a dictator in the person of Mr. Eastman, with the title of Federal Co-ordinator of Transportation, but he has accomplished little so far because of pressure by localities affected by his proposal, and opposition by the labor unions. Nevertheless, had he the power he could work wonders. The same is true here, but political and public pressure would have to be ignored, as would the competitive attitude of the railway managements.

Position of Unions

And the labor unions must be made to realize that, if some remedy such as that here suggested is not put into effect, they will ultimately suffer much more severely under some other more radical change. If these conditions are accepted, a dictator could bring about every economy possible under unified management, except the economy of one headquarters staff—and that is a mere bagatelle in comparison with the total good. Such co-operative economies are: union of railway yards and terminals at innumerable points; joint shop work, now spread about in a ridiculous manner; ticket and telegraph offices under one roof, or located in the railway stations jointly; one railway hotel where two are planned, for example, the stupid idea of two rival hotels at Vancouver; and the pooling of trans-Canada and other passenger trains where possible. That is only a partial list of economies, but by them many millions could be saved to both railways, and the disadvantages of monopoly avoided. But let it be clearly understood that under no method can savings sufficient be made to wipe out the Canadian National deficit of over 50 million dollars per annum, so long as railway traffic remains as at present about one-half of its total at the peak of business in 1928 or 1929. Anyone who says differently is, to my mind, either trying to deceive, or does not know whereof he speaks.

Only Practicable Plan

This railway economy plan is the only practicable one apparent to me, and undoubtedly it will require sacrifices on the part of localities and employees; but the national economic life is at stake today, and, if it is to be salvaged, all must be ready to assist even at the cost of some real sacrifice. To the employees the assurance should be given, that every precaution would be taken under co-operation to make it easy for them — through pensions, retiring allowances, allotment of positions, and so forth; but even they will, in the long run, profit by the cure of this transportation disease. If the employees do not concede something, they may ultimately have to concede everything; for this situation is very critical. Of course, caring for the employees in a fair manner will delay the total benefits to the nation, but they deserve fair treatment. Our reward would be in the satisfaction of knowing that this serious problem is finally in the way of solution.

One other matter should at the same time be attended to, namely, the control of motor-transport competition by the same type of regulation as the railways. This means provincial co-operation, for motor traffic is under provincial control.

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*Published by Ryerson Press, Toronto.

The Country Weeklies

The importance of the weekly newspaper and its influence in the rural distircts were stressed when members of the Nova Scotia Weekly Newspapers Association gathered in Halifax recently.

Premier Angus Macdonald, in welcoming the publishers, paid tribute to the weekly press. He was interested in these papers, and there were several weekly journals which he read religiously, he said.

"I know this is an age where everything tends to enlarge: 'bigger and better' is the slogan today. Yet while the weekly newspapers have not a large circulation they fill an important place in our life.

"The weekly newspaper has a steadying influence, and news which they present has the benefit of much thought, because that interval of a week allows one to weigh the news more carefully."

As Others See Us . . . .

Has Worst Happened?

St. Catharines Standard

The dawn of Social Credit finds Alberta near a political crack-up, is the tenor of an article from Edmonton in The Financial Post this week. The crack-up will come in reality when 350,000 registrants are asked to deliver their surplus crops to the State Credit House and when $5 per month in scrip or something equally unacceptable, is issued. The rest of Canada watches with interest but not very great concern, the developments in Alberta; the worst already has happened to Alberta creditors.

Three Years Overdue

Western Farm Leader, Calgary

At last comes frank recognition by a representative financial newspaper of eastern Canada of the absolute necessity for drastic reduction of farmers' debts and of western indebtedness in general.

It is contained in an article in The Financial Post of Toronto.

What The Post has recently discovered, the farmers of the West knew years ago. Farmers' convention after farmers' convention in Alberta and elsewhere stressed the obvious when they declared that the burden of debt is too heavy for western agriculture to bear. But the "dramatic gesture" from creditor interests did not come. It is now, as The Post itself admits, three years overdue.

Sheer force of circumstances has brought recognition of facts which representatives of the farm movement—elected representatives and officers — presented to unheeding creditor interests, The Post's special clientèle, in the earlier depression years.

The Post and Labor

The Labor Leader, Toronto

The Financial Post is starting a most interesting and informative series of articles on the subject of wages.

Yes, we know full well that our Communists and other red agitators will not agree that anything appearing in The Financial Post can be of any great interest to the masses. We think our red friends get that way because they seldom, if ever, buy a copy of The Post and read it for themselves. As a matter of fact The Post goes to great lengths in its endeavor to put the case for Labor in a fair and just light, but it does so from a practical viewpoint based on the knowledge gained from years of actual experience in industry. That being so it is no cause for surprise to hear our local reds berate The Post as a purely capitalist newspaper, when as a matter of fact The Post probably gives more space, in proportion to other matters, to the broad question of social legislation and employee welfare than any other newspaper in the Dominion, outside of labor publications.

Other People's Views . . . .

The Return of Confidence

By Dr. Nicholas Murray Butler
President, Carnegie Endowment for International Peace.

International monetary stabilization and the lowering of barriers to international trade are essential to that return of confidence upon which alone co-operating action by men or nations can be built. We must first of all rebuild the broken confidence of men and nations in each other and then proceed to lessen or remove the economic temptations to armed conflict. Given these, and other gains will rapidly follow.

Why Borrow at All?

People's Weekly, Edmonton

The few newspapers in Alberta who support the Alberta Government are resentful against the Federal Government and the Bank of Canada because of their refusal to lend money to the province. That's a funny attitude. Were we not told that the province would not need to borrow again and that it would get all the money it needed "where the bankers got it?" How they sneered at the "ignorance" of some of us when our knowledge of economic realities made us suggest that there was a catch to the fountain pen idea!

Posterity Arrives

The Evening Telegram, Toronto

Letting posterity pay is a shortsighted plan. The present high tax rate in Toronto is proof of that. The old cry at the City Hall was "let posterity pay." Posterity arrived prematurely.

In the Mail

(Not over 200 words, please)

Canada and the Waterway

Editor, The Financial Post,—

It is perfectly reasonable that the United States should want to complete the St. Lawrence deep waterways. This is so, quite apart from the incidental development of one million horsepower from her share of the international section of the river. Such an amount of power would be absorbed in northern New York States municipalities almost as readily as a small stream in the Sahara. The great and growing population of the interior of this country must have a better St. Lawrence transportation system. This need is accelerating. Economically the question of hydro-electric power is only of minor importance for the same reason that it was at one time advisable to deepen the St. Lawrence canals from four feet to nine feet, and later from nine feet to 14 feet. So today, a system of navigation to a depth of 30 feet is urged with foresight and wisdom. Naturally the urge is greater in the United States than in Canada. It remains to be seen whether Canadian vision and commercial sense can grasp the opportunity for trade expansion and treaty-making skill that is now afforded us.

Mr. Roosevelt will undoubtedly want us to co-operate with him at once toward carrying out the full development of the long proposed deep waterway project.

Two per cent of the water flow of the St. Lawrence is all that is required for navigation purposes in the proposed plan of 30 feet depth. Ninety-eight per cent remains available for power development to the extent of five million horsepower on that stretch of the river from Morrisburg to Montreal. Only one million horsepower of this is on the United States side of the line, thus leaving four million horsepower on the Canadian side.

But we already have more power developed than we can presently use in Canada. So why proceed with further expenditures for power and navigation that we do not need? This is where our vision is needed. Our answer to Mr. Roosevelt's invitation to proceed jointly with this development should be fairly simple.

We should be prompt with our reply and state that we are prepared to proceed with a deep waterways project subject to a trade treaty, whereby the great United States market in electro-metallurgical and electro-chemical products should be opened to Canada. This would enable us to employ our present surplus of power plus the additional power made readily available by reason of the carrying out of the project. Such a resultant expansion in our industrial activities would amply justify the need of the 30 foot channel, as compared with the present 14 foot system.

Therefore, both on navigation and hydro power development, we would be fully warranted in our proceeding with the project.

And on the American side it should be realized that the metallurgical and chemical products thus admitted free of duty to United States markets, would be largely in the form of semi-raw materials for the manufacture of which there are no adequate hydro-electric facilities available in the United States. Methods presently in use there are dependent upon coal in the chemical and metallurgical fields at costs considerably in excess of those available at Beauharnois and other Canadian power sites on the St. Lawrence. Nor, would it be likely that American manufacturers of chemical and metallurgical products would fail to take advantage of the opportunity to abandon their now obsolete plants in favor of building modern ones in Canada.

The proposed treaty could easily be set up on a basis of gradual performance, and we in Canada could proceed enthusiastically in joint account with the United States.

The picture is full of alluring possibilities, with advantages extending throughout the Empire.

Have we the statesmen who can function accordingly?

R. O. SWEEZEY.

Montreal.

New Uses in Wheat

Editor, The Financial Post:

In your issue of November 7, I see that you visualize at least the possibility of "a grand total production of all wheat for United States of around 1,050 million bushels" in 1937, and your comment: "This would be 400 million in excess of domestic requirements."

If the upswing in U. S. production eventuates next year, we may assume a similar trend in Canadian fields, which would give us 300 million bushels in excess of domestic requirements.

On the other hand, of course, it seems desirable to draw urban opinion to the consideration of a farm axiom which says that "after two or three dry seasons, even a normal crop calls for abnormal moisture."

Nevertheless, we may proceed on the assumption that the cycles of weather conditions will not fail and that, some day, the generous bushelage will return. I think the industrial world should prepare for it, in the research terms you refer to twice in your issue of November 7, i.e.: "Every possible market for both low and high-grade wheat may have to be explored and possibly new commercial uses developed"; also: "Perhaps we can find other uses for wheat."

I congratulate you on that view. The next time the United States finds itself with "400 million bushels in excess of domestic requirements" I look for the genius in American laboratories to lead the world's wheat farmers into that wider industrial avenue.

D.

Toronto.

Stop Me If You've Heard This One . .

A woman recently acknowledged the payment of a life insurance policy in this manner:

"On July 1 my husband took out a policy with your company. In less than three weeks he was killed in an automobile wreck. I think insurance is a good investment."

Week in Business

Advertising Outlays Expected to Soar in '37

Gains of 25 Per Cent Already Indicated — Early Planning Essential as Business Moves Into New High Ground

With only five more weeks to go in 1936, business is already looking forward to 1937 and laying plans for further expansion. That 1936 will end at a level substantially ahead of the first three quarters of the year is indicated by this week's showing of The Financial Post business index which spurted into new high ground last month. The index is now 10% higher than at this time last year and 10% above the March low point for 1936. The gain in the past seven months has been both striking and consistent.

That this increase has been continued through into November is indicated by weekly carloading figures which continue out into new high ground and which for the week ended Nov. 14 were more than 10% ahead of the same week last year.

* * *

25 Per Cent Gain in 1937

Looking ahead into 1937, two leading advertising agencies whose opinions were canvassed last week, report an expected gain of 25% in business from their clients during the coming year. One important group from which considerable improvement is anticipated is the building and construction field. This has, of course, been one of the last areas to feel the effect of returning prosperity and for 1937 some real gains are anticipated.

One difficulty in making specific commitments here is said to be the Dominion-wide publicity campaign of the National Employment Commission to be launched around the new home modernization scheme recently announced. A sum of $250,000 is to be raised by subscription among leading industrial firms of which the major share will go into national and local publicity. Until the details of this campaign as they affect individual firms are ascertained, there is some hesitancy to go ahead with individual company campaigns and which are expected to be an important feature of advertising display work for 1937.

* * *

Do a Better Job

Another interesting feature of advertising appropriations already announced or planned for 1937 is that these campaigns will in many cases be much broader—much more competent to do a better job than their predecessors of 1936 and earlier years.

Lack of advertising funds has caused many firms to "send a boy to do a man's work" in the last few years. It is thought that for 1937 the boy will have grown to much maturer proportions—that he will be much better fitted to do his job than he has been in the past four or five years. What is needed now is that these campaigns (together with adequate support from production and sales staff) be ready bright and early to hit the line hard on January 1—or sooner.

* * *

Pot Pourri

The cleaning and dyeing business of British Columbia is being incorporated into a concern to control its own methods, according to a bill introduced into the legislature. The new Cleaners and Dyers Society will elect a board of seven to run its affairs and have jurisdiction in all communities of 750 or over. It will pass on licenses, prohibit the advertising of prices, examine premises, etc. . . . Bread prices rose one cent in Vancouver recently, the new schedule being 8 cents for retail stores, 8½ cents for delivered bread. . . . Survey of actual highway haulage costs in Alberta to ascertain operating costs of motor trucks on a ton-per-mile basis was recommended by the transportation committee of Edmonton Chamber of Commerce and presented recently to the provincial highways control board.

Favorable

With one exception all new items listed this week among business indicators show gains compared with the same month last year. Details of the new figures are contained in the adjoining story on The Financial Post business index.

Unfavorable

Automobile production lagged behind corresponding figures for Oct., 1935, due to failure of at least one major producer to get production on the new 1937 models started until later in the month.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (Nov. 14)	▲53,606	48,684	2,193,105	2,095,847
C.N.R. gross earn. (Nov. 14)	$ ▲3,713,069	$ 3,541,243	$ 161,065,585	$ 150,145,344
C.P.R. gross earn. (Nov. 14)	$ ▲2,805,000	$ 2,650,000	$ 120,018,000	$ 110,740,000
Business Conditions—				
Weekly index D.B.S. (Nov. 14)	▲111.8	97.8	......	......
MONTHLY DATA				
Business Conditions—	1936	1935	1936	1935
Financial Post index (Oct.)	▲116.7	106.2	......	......
Transportation—				
C.P.R. net revenue (Sept.)	$ 3,422,884	$ 3,290,218	$ 11,827,468	$ 11,386,758
C.N.R. net revenue (Sept.)	$ 2,962,637	$ 2,391,230	$ 6,205,461	$ 6,134,560
Iron and Steel (October)—				
Pig iron production (tons)	▲70,051	45,521	535,836	464,585
Steel ingots and castings prod. (tons)	▲98,330	95,016	912,064	742,720
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Sept.)	3,120	2,593	75,806	69,844
Factory output (Oct.)	▲4,592	7,128	104,660	116,332
Trucks and Buses:				
Domestic sales* (Sept.)	1,431	1,436	17,720	15,580
Factory output (Oct.)	▲769	1,185	26,419	29,390
Exports (Oct.)	▲2,922	3,831	46,690	53,415
Construction—				
Building permits (Oct.)	$ ▲4,120,416	$ 4,030,318	$ 33,553,743	$ 40,711,114
Contracts awarded (Oct.)	$ 14,937,200	$ 14,925,100	$ 142,628,800	$ 147,649,300
Newsprint (tons)—				
Production (Oct.)	301,106	266,515	2,604,831	2,245,129
Exports, tons (Sept.)	278,368	208,911	2,130,286	1,812,786
Sugar (lb.)—				
Melting & sales§ (raw)	▲100,937,342	86,100,288	783,496,067	716,071,482
Manufactured§	▲141,355,351	139,823,202	802,444,724	754,506,205
Flour (bbls.)—				
Production (Aug.)	1,316,122	1,535,189	10,706,823	9,823,026
Wheat flour exports (Oct.)	464,013	501,442	3,966,136	3,911,821
Trade—				
Retail trade (index no. of sales) (September)	76.6	72.5	......	......
Imports (October)	$ ▲65,186,563	$ 52,751,020	$ 516,052,936	$ 455,787,336
Exports (October)	$ ▲113,002,780	$ 91,322,850	$ 805,829,169	$ 663,413,271
Wheat exports (bush.) (Oct.)	26,917,096	26,919,421	189,294,774	122,053,533
Employment, D.B.S. Index (Oct. 1)—				
All industries	110.1	106.1	......	......
Manufacturing	109.0	103.3	......	......
Electric Power Output (Sept.)—				
Total monthly m.k.h. (000's omitted)	2,041,679	1,919,213	18,322,713	16,942,004
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (October)	▲185,338	138,118	1,322,846	1,106,764
Boot & shoe prod., pr. (Sept.)	2,106,061	1,982,451	16,817,638	16,528,838
Crude petrol. imp. gal. (Oct.)	▲158,755,174	133,728,567	1,037,902,097	981,755,072
Cotton imports, lb. (Oct.)	▲16,542,791	10,770,453	108,336,956	93,619,285
Raw rubber imp., lb. (Oct.)	▲6,965,578	1,819,433	50,499,531	44,611,407
Coal imports, tons (Sept.)	1,400,529	1,427,277	9,404,443	9,525,263
Finance—				
Bank debits (Sept.)†	$ 3,133,564	$ 2,425,896	$ 25,893,227	$ 22,684,735
Bond sales (Oct.)	$ ▲125,730,675	$ 65,915,953	$1,135,625,525	$ 717,482,390
Life insurance sales (Oct.)	$ 30,092,000	$ 30,416,000	$ 302,402,000	$ 297,676,000
Automobile Financing (Oct.)—				
Used cars	$ ▲1,703,273	$ 1,266,777	$ 21,865,029	$ 15,938,992
New cars	$ ▲1,519,272	$ 1,096,937	$ 26,064,055	$ 19,882,187

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to October 31.

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Offices throughout Canada; also in New York and London.

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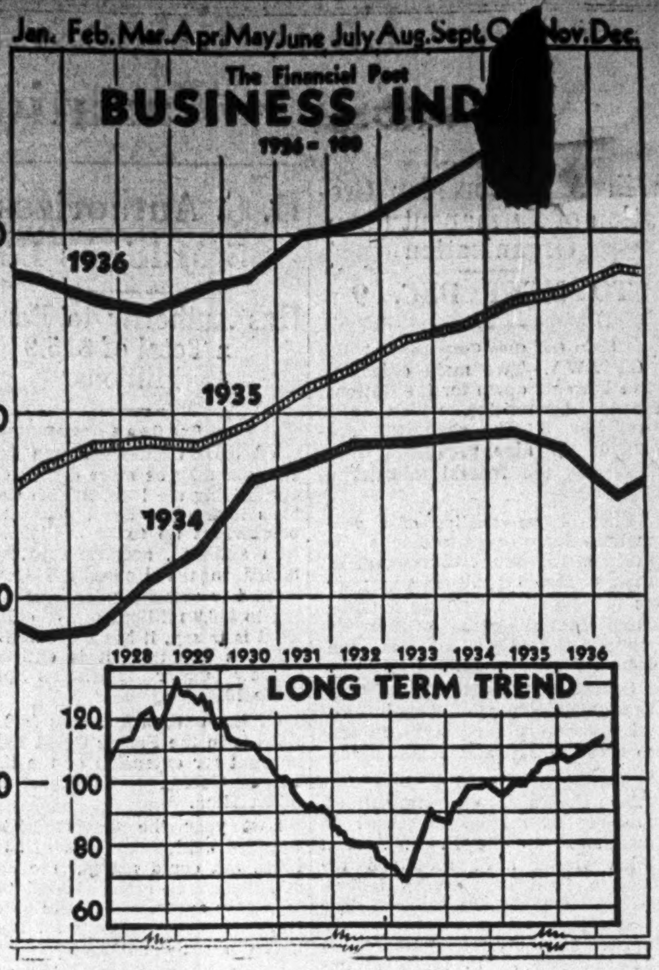

BUSINESS SPURTS AHEAD

The business index recorded an unusual increase in October when the standing was 116.7 against 113.7 in the preceding month. Most of the 47 factors used in the compilation recorded advances, the export trade being a brilliant example. Mineral production continued active, increases being shown in five of the available factors. Owing to the gain in the manufacture of sugar and the slaughterings of hogs, the foodstuffs index showed a slight gain. Imports of raw cotton for further manufacture reached a comparatively high point.

The forestry industry was active, the output of newsprint reaching a new high point in history. Acceleration was also shown in the primary iron and steel industry. The rubber and oil industries operated at a higher level, while the output of automobiles showed a gain.

Major Canadian Economic Factors

	Oct., 1936	Oct., 1935	Sept., 1936	Percentage inc. or dec. Oct. 1936-'35
Financial Post business index	116.7	106.2	113.7	+ 9.9
Wholesale prices	77.1	73.1	76.4	+ 5.5
Common stock prices	126.9	96.1	119.5	+ 32.0
Shares traded, Montreal, no.	1,272,223	352,172	705,396	+261.3
Inverted index of Dom. bond yields	151.1	126.7	158.5	+ 19.3
Bank debits	114.5	100.0	132.9	+ 14.5
Bank deposits (preceding month)	113.9	107.8	113.5	+ 5.7
Mineral production:				
Copper exports, cwt.	429,089	480,893	326,501	— 10.8
Nickel exports, cwt.	131,047	135,677	159,485	— 3.4
Zinc exports, cwt.	325,070	304,169	299,099	+ 6.7
Gold Shipments, fine oz.	352,676	294,871	316,904	+ 19.6
Silver shipments, fine oz.	1,619,267	1,483,333	1,196,301	+ 9.2
Manufacturing production	122.2	105.4	115.4	+ 15.9
Sugar manufactured, lb.	101,692,741	74,056,391	78,496,030	+ 37.3
Cattle slaughterings, no.	162,735	141,959	145,236	+ 14.6
Raw cotton imports, lb.	16,542,791	10,770,453	9,262,674	+ 53.6
Cotton yarn imports, lb.	375,675	417,079	316,014	— 9.9
Cigarettes entered for consumption, no.	551,362,768	463,276,145	516,171,573	+ 19.0
Newsprint production, tons	301,106	266,391	269,782	+ 12.9
Steel ingot production, tons	98,330	95,016	86,077	+ 3.5
Pig iron production, tons	70,051	45,521	51,892	+ 53.9
Automobile production, number	5,361	8,313	4,655	— 35.5
Petroleum imports, gal.	158,755,174	133,728,567	124,048,094	+ 18.7
Crude rubber imports, lb.	6,965,578	1,819,433	5,361,220	+282.8
Exports of planks and boards, ft.	185,338,000	138,118,000	160,586,000	+ 34.2
Construction: Contracts awarded $	14,957,200	14,925,000	16,558,500	+ 0.2
Building permits $	4,120,416	4,030,318	3,644,560	+ 2.2
Railways: Carloadings, number	263,478	251,077	251,304	+ 4.9
External trade: Imports $	65,186,563	52,751,020	52,962,972	+ 23.6
Exports $	113,002,780	91,322,850	89,582,398	+ 23.7

Business Moves Ahead To New High Ground

October Figures Show Financial Post Index 10 Per Cent Above Second Month Last Year

Business operations recorded marked acceleration in October. The Financial Post business index advancing three points over September. A sharp upward trend has been shown since March and the business index now occupies a position higher than at any time since the first quarter of 1930.

The recovery of the last four years has practically counterbalanced the decline of the preceding three. Business operations in Canada are consequently entering the active phase. Without any adjustment for growth of population, production is now at a higher level than at any other time in history except for the two years ended in the first quarter of 1930.

Financial Factors Advance

Except for the decline in high-grade bonds, the financial background continued strong in Canada in the month under review. After reaching a new high point in history during August and September, Dominion bonds receded appreciably in October. Prices have been firm in the last two weeks. Despite the interest in speculation it is anticipated that high-grade bonds will be at a comparatively high level for some time. Bank deposits rose again at the first of the month continuing an upward trend in evidence since the first quarter of 1934. The total is now higher than at any time since 1929.

Commercial loans showed a gain. Providing this development is continued it will be most significant. The most spectacular development in this line was the sharp advance in common stock prices, the index moving up from 119.5 to 126.9. Each of the groups in the official classification except beverages showed appreciable gain. Base metals were strong on the mining exchange while golds averaged lower.

Mineral Exports Higher

Five of the available eight factors showing the trend of mineral production recorded advances in October. Exports of copper were nearly 43,000,000 pounds against 32,700,000 in September. Nickel exports declined contrary to seasonal tendencies, the index receding from 271 to 192. The production of lead showed decline in the latest month for which statistics are available, while the exports of zinc after seasonal adjustment were greater than in any month in history except August last.

Shipments of gold from Canadian mines were greater than in any other October, the total being 352,676 ounces. Silver shipments showed considerable gain over September. Asbestos exports of better grades were greater than in any other October since 1928. The decline in bauxite imports was greater than normal for the season.

Manufacturing Expands

The great majority of the 29 factors showing the trend of manufacturing production showed advances in October over the preceding month. The manufacture of foodstuffs was slightly greater but marked gains were shown in the imports of crude rubber and raw cotton, in forestry operations and in the primary iron and steel industry.

The milling industry was less active in the latest month for which statistics are available, the index of flour production dropping from 111.2 to 93.7. The bright spot in this division was the speeding up in the manufacture of sugar, which was greater than in any other October since 1932.

Meatpacking at New High

Sheep and hog slaughterings were heavy while the increase in cattle was less than normal for the season. The index, however, was greater than in any October in the post-war period. Hog slaughterings were greater than in any other month in the last 17 years, the index having been 186 against 172 in September.

Cheese exports amounted to 15,802,000 pounds against 9,909,000 in the preceding month. A contra seasonal decline was shown in exports of canned salmon. The net result was that the foodstuffs index moved up from 116.0 to 116.8.

Tobacco and Footwear

The general index of tobacco releases was greater than in any other October in the post-war period except in 1929. The release of cigarettes reached a specially high level at 551,000,000.

The manufacture of 1,721,000 pairs of boots and shoes raised the index about 4% over the preceding month. Imports of raw cotton and cotton yarn were heavy, raising the index of the imports of raw textiles to a higher point than in any other month in the post-war period. The increase in raw wool was less than normal for the season.

Forestry Has Good Month

Owing to the gains in newsprint and exports of planks and boards, the forestry index advanced five points. The output of newsprint was slightly over 300,000 tons, the highest point in the history of the industry. The index was 186 against 178 in September. Exports of planks and boards were greater than in any October since 1929. The total was 185,300,000 feet against 160,600,000 in September. Declines were shown in the exports of wood pulp and shingles.

The primary iron and steel industry was particularly active in October, the output of steel ingots being greater than in any other October since 1929. The output of pig iron which advanced from 51,900 tons to 70,000 tons was also greater than in any October for seven years. The exports of iron and steel in different forms were valued at $12.3 millions against $10 millions in September.

The turnover of bank deposits was accelerated in October, total bank debits having been $3,328,000,000 against $3,134,000,000 in September. The increase over the same month of last year was about 14%.

Background of Business

$306 Millions Spent On Autos and Upkeep

Sales of Cars, Equipment, Gasoline and Repairs in Canada Last Year Tabulated — Higher Totals Forecast

Summary figures of automobile sales in Canada during 1935 show Canadians spent $306 millions for the products of this and allied industries. This figure includes sales of new and used cars, equipment, accessories and also the amounts paid for garage and repair work and for gasoline, oil, tires, etc. purchased through these outlets. Of total sales, $143.9 millions was spent in Ontario and $54.9 millions in Quebec.

Total sales of motor car dealers in 1935 are placed at $216 millions of which $102.5 millions was spent in Ontario.

* * *

Big Motor Market

Canada had approximately 21 billion miles of unused automotive transportation in 1935 compared with 34 billion miles in 1929 says C. E. McTavish, general sales manager, General Motors Products of Canada, Ltd.

Mr. McTavish uses as his basis of calculation the assumption that the average car has a life of ten years and 5,000 miles a year.

"It is pure speculation," says Mr. McTavish, "to set any particular figure as Canada's normal stock of unused mileage but it is probably nearer 30 billions than 21 billions. To build it up to that figure will mean higher yearly sales for some years to come than we rolled up in 1936."

* * *

Your Food and Drugs

Ottawa has issued its 60th annual report on food and drug administration in Canada. The first report, it is noted, made pointed reference to "dishonesty in traders" and showed no fewer than 51% of the samples examined were adulterated.

Of nearly 18,000 samples examined in the food and drug laboratories of the Dominion over 10,000 were foodstuffs. Of this latter total 19% were found adulterated or misbranded. However, the department points out that the purchasing consumer has a much better chance than this since the department deliberately seeks doubtful merchandise to avoid wasting time and energy in testing well-known, high quality articles.

The first examination of drugs was made in 1883 when 98 samples came under review, 12 of which were impure. Last year over 4,000 drugs, additional preparations and chemicals were examined. The worst tongue-stickler in the list is: Phenylethylmalonylurea.

* * *

B. C. Relief Dips

The number of persons on relief in British Columbia dropped to an all-time low of 66,932 in Sept., 1936, according to figures submitted in the budget address at Victoria.

This is a drop of 41,355 from the number in the peak month March, 1934. Of this total, 14,793 were heads of families, 40,476 were dependent and 11,663 were single persons.

Expenditures in September totalled $578,792, an increase of almost $5,000 from the corresponding month in 1934 although the number on relief had decreased by 11,904.

* * *

Hardware Price Changes

Lower prices are quoted to hardware dealers on certain types of harvest tools for the 1937 season, in the new price list issued this month, says Hardware & Metal. Some forks are lower, and a few lawn rakes are reduced. A few other downward adjustments are made in prices, but most of the other items remain unchanged.

A new line of tubular ferrule forks is being introduced to the hardware trade for 1937 business. Manufacturers and wholesalers have raised their trade prices on malleable and cast iron pipe fittings, and new dealer discount schedules have been issued.

The steady rise in the price of base metals, copper, lead, tin and zinc is beginning to make itself felt on the price of manufactured products. For instance, lead pipe and waste, lead fittings, lead wool, etc. are raised in price. Solder is very firm in tone. Brass and copper sheets, rods and tubing have advanced a quarter of a cent a pound in the last two weeks. Other products closely allied with these metals are very strong in price.

* * *

B. C. Retail Sales

Value of retail trade in B. C. was 9% greater in 1935 than in the preceding year and 21% greater than in 1933. Sales in 1935 were $187 millions compared with $171.6 millions in 1934 and $154.7 millions in 1933.

Percentage increases over 1934 varied widely for different kinds of business, but a comparison of the provincial ratios with the Dominion averages shows that improvement in British Columbia was greater than that for the Dominion as a whole for 34 of the 40 classifications. In particular, grocery and combination stores, country general stores and restaurant groups, while reporting but slight increases in other provinces, recorded substantial gains in B. C.

* * *

Russian Trade

Soviet trade figures for the first six months of 1936 show exports to Canada valued at 8.6 million rubles. One ruble equals about 20 cents.

In this period major volume of exports went to U. K. to a total of 125 million rubles followed by U. S. with 68 million, Germany with 46 million, Belgium with 45 million, Persia 39 million and France 33 million.

No imports from Canada are shown, although in the same six months 132 million rubles of merchandise were bought from U. S. A.; 115 million from Germany, and 88 million from U. K.

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Your Will and Your Estate

Estates and Their Assets

Nearly all estates fall into one of two main groups; those capable of producing revenue for dependents and those that are not.

An estate may, for example, consist of $2,000 in life insurance, an interest in unimproved, non-revenue producing real estate or in some other form which cannot yield more than a very moderate income. Obviously such an estate cannot be considered from the same standpoint as the complex, large holdings of wealthy men or even those which are only sufficiently large to produce a moderate income for dependents. Where an estate is clearly too small to provide an income its distribution to heirs involves no particularly intricate problem.

Yet it is wrong to assume that because an estate is not large it will not yield revenue. Much more important is the character of the estate's assets, and the circumstances of both the testator and the beneficiaries.

Assets of any estate, including the home, automobile, personal effects, cash and securities can be carefully analyzed, and their revenue-producing capabilities closely determined.

A Sound Foundation

An estate, by careful planning, can be built into a solid structure which will continue after death to provide for the needs of dependents. The basis of every estate of that kind is life insurance, for it is the only means of creating or enlarging an estate at a cost immeasurably lower than other types of estate investment. Earning power ends with death. Life insurance can fill the gap and enable dependent beneficiaries to continue on the same scale of living and income as before. It is significant that the wealthiest men carry heavy insurance while the man of modest means too frequently overlooks the way in which he, too, can create an immediate estate far in excess of any amount he may be capable of bequeathing his dependents from his own earnings.

Insurance as a Basis

With insurance as a basis for the young man's estate, and more particularly the young married man, much of the mental strain and worry over dependents automatically ends. As greater age and earning power are attained, the character of the estate may change; real estate may be acquired and more securities purchased.

Again, however, the estate may be revised, to include additional insurance, the transfer of semi-speculative profits or dividend income into bonds and debentures of a trustee or other high grade security type. Periodical estate analyses may be made, the will revised to include both additional assets and beneficiaries, and assets redistributed in the will to accord with changing position of dependents. Sons may have reached a high degree of earning ability, deaths may necessitate a redistribution of shares in an estate, or there may be grandchildren for whom the testator wishes to make special provision.

Liquidity of assets is essential if the testator is to avoid trouble, expense and delay for his heirs. Real estate and private business enterprises in which partnerships exist present complex problems for executors since these are frequently difficult to realize at their full value. To hold such assets at death may mean heavy carrying charges or eventual loss.

Proven Stocks—Liquid Assets

The practical course for any man who has reached an advanced age, is to place his assets in the form of trustee securities, or in the form of high grade non-trustee stocks and bonds of proven companies. He may also profitably consider annuities at the discretion of his executors. There is little to be gained if this principle is violated; there is much more to lose. Securities which do not comply with the requirements for trustee securities in various Canadian provinces must be liquidated by the executor unless specific provision is made in the will to the contrary. In a period of declining values the danger is obvious and only slightly less so in a recovery period, for a quick disposal of such securities (unless specifically prevented by terms of the will) can also mean a loss in ultimate return to beneficiaries.

Discretionary Powers

Authorities on trustee securities are leaning to the view that wills must contain greater discretionary powers for executors or that changes in the law affecting this type of security are due. The practical course, experts believe, is to vest discretion in the hands of a competent executor whose business qualifications are such that he can legally retain non-trustee securities in an estate, knowing them to be of equal or even greater potential value than legally specified trustee securities. In recent years, moreover, it has been evident that trustee securities are not always the safest investments.

Conserving Assets

Thus, a wealthy Ontarian who died some time ago and left an estate far in excess of $1 million, had among his assets thousands of shares of a producing gold mine. His holdings were purchased shortly before his death on the advice of highly competent engineering advice. His will gave discretionary powers to his executors. The shares were retained and doubled in value within a year. Had they been indiscriminately thrown on the market there is no doubt that the man's unusually large holdings would have broken the market and temporarily, at least, destroyed the current value of both the estate holdings and those of other shareholders.

Consider Succession Duty

Analyzing an estate to determine its value must include allowance for succession duty requirements. In Ontario, for example, the value of the estate for duty purposes is a fair market valuation at the time of death. The net value is reached only after deductions are allowed for funeral expenses, surrogate court fees (but not including solicitors' charges or administration fees), debts owed by the deceased, mortgages against real estate owned by the deceased, and provincial bonds exempt from succession duty by statute.

Estates of small size are exempt from succession duties in most jurisdictions.

Estate assets may be disposed of during the life of the testator without subsequent payment of succession duties, under stated restrictions such as property given more than three years before the death of the donor to the father, mother, child, son-in-law, or daughter-in-law of the donor to the value of $20,000 in all, among them, in Ontario.

Similar exemptions prevail in other provinces and, too, no succession duty is payable on assets given by the donor in his lifetime which do not exceed in value $500 in the case of any one recipient.

Victims of Frauds

Montreal Stock Exchange Head Urges Greater Education of Investor in Western Speaking Tour

From Our Own Correspondent

MONTREAL.—Continued public education is necessary to combat the fraudulent sale of securities in Canada. This is the theme of an address delivered to Canadian Clubs in the West by Harold J. Child, chairman of the Board of Governors of the Montreal Stock Exchange. "Frauds constitute an economic disease carried by parasites and must be exterminated, as we would attack such a problem if it were to jeopardize national health," he said.

His address on security frauds follows in part:

"Not only because it is most widespread and lucrative but, perhaps, because it captures the imagination of so many people who believe therein is an easy road to easy riches, security frauds continue to exist. The annual toll from fraudulent security promotions can only be imagined. The figures available are those covering promotions stopped or curbed through the agency of fraud prevention bureaus. This figure represents a total of about $50 millions annually in Montreal alone. This much has been stopped at the dam. The annual flow goes without a count.

Find Receptive Victims

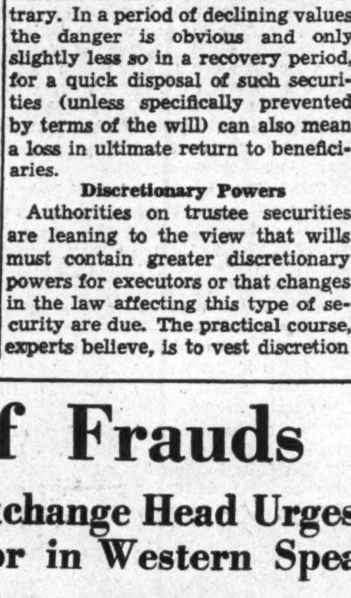
"During recent years, with the almost incredible results secured in mining development, the high-pressure stock salesmen have been favored with unusually well prepared and receptive victims, and it has been a simple matter for these highly questionable salesmen to sell stocks worth only a few cents for a figure several times their actual value.

"With the advent of the Securities and Exchange Commission, in the United States, many new 'boiler rooms,' as they are called, were opened in Canadian cities. It was obvious that this type of individual was then much more comfortable in Canada than south of the border. In all fairness, I must say that not all the high-pressure salesmen have been imported from the U. S. A. We have to admit to a few who have been developed in this country, some of whom cut a very wide swath when they moved south.

"Boiler Room" Operations

"These 'boiler rooms' are merely rooms with batteries of telephones on each of which works a glib-tongued salesman, who cares little for the responsibility of his statements and whose earnings depend upon he amount of money he succeeds in xtracting from his 'sucker list.' uch a list is so named because it s supposed to represent individuals asily parted with their money, ntains the names of practically ery individual in the community some time or another. Telephone harges mean little in the operation such an organization where practically all the money collected is lear profit, and it is not uncommon for persons in the West to receive elephone calls from eastern points.

"From a practical experience in brokerage business of over 30 rs, I know that an ordinary comsion brokerage firm cannot do iness in such expensive fashion.



HAROLD J. CHILD

If a broker in Montreal were to call an individual in the West for business to be executed on the Montreal Stock Exchange or the Montreal Curb Market, he would have to secure an order to buy or sell one thousand shares of a moderately priced mining stock before his commission would equal the telephone charges. From this you will, perhaps, appreciate the broad margin of profit on which the high-pressure stock salesman works. I might add that similar 'boiler room' arrangements have been used quite extensively in fake charity collection schemes.

"All manner of deception has been practised in the sale of worthless securities. Fantastic tales are told of great pools which operate and of which the salesman claims the most intimate knowledge which he passes along as a particular favor to a complete stranger.

"These gentry will go to any length to achieve their objectives. One practice is to secure cheap options on stock and then issue a so-called newspaper to carry other news and attempt to disguise the propaganda for the particular issues in which the promoter is interested.

Are Shrewd Salesmen

"The perpetrators of these frauds do not confine their operations to mining stocks. They are shrewd observers of the times and they develop their rackets to keep tune with the type of securities in public favor at the moment. As the pendulum goes from mining issues to industrials, bonds or real estate, so go the dogs of fraud, and from each some ingenious artifice and deceptive device. When new interest has been aroused in Western oil fields by new discoveries or by the recurring fears of oil shortages, the swindler is quick to seize the opportunity to sell worthless oil securities or royalties. When national or local real estate takes the spotlight, his interest turns to worthless mortgages. No phase of business is free from the parasitical influence of fraud.

"In a country such as Canada, where broad geographical problems present obstacles in achieving the fruits of national unity, the spoils of fraud cut deep into the welfare of the people as a whole.

"The case is on record where last year a group secured control of a trust company charter with an impressive sounding name and started as a bucket shop in the securities business. Again, due to the intervention of the Better Business Bureau of Montreal, this concern was closed up, but before this took place, the entire accumulated surpluses of four different families had been wiped out, and in each of these the main supporter was over 60 years of age, and in one instance almost totally blind. It requires little imagination to picture the fate of those four families a few years hence, a total liability to the state and charity rather than going into the twilight of life with the security of a prudently accumulated surplus.

"Capital which changes hands as a result of fraudulent schemes scarcely, if ever, returns with any benefits to the business machine in the district it leaves. Manufacturers and merchants suffer, and frauds work a double hardship on the laboring class in every community. It deprives the laboring man of surplus funds, and the general economic effect of fraud is a powerful deterrent to the stability of employment.

"Frauds also weigh heavily upon the farming communities. It is unfortunate that the scene of his business is often distant or quite removed from the centres of population where the facilities of safe investing are quickly available. For this reason the rural districts have proved lucrative to the swindler and it is usually the first place he goes.

Field is Broad

"Security frauds in Canada did not assume large proportions or become general until after the Great War period, eighteen years ago. The war financing designed to interest everyone with savings, however small, gave the average Canadian his first experience in the use of securities as a medium for investment of surplus savings. Today, the investing public of this nation is no longer confined to any single locality or to any particular body of people. The most casual glance at an average stockholders' list will show to what an amazing extent corporate shares have been distributed to the rank and file from coast to coast. It is the very breadth and diversity of the investing public which makes the problem of security frauds imperative in the matter of prevention.

"To successfully combat fraud in all its forms, the public must be educated to the dangers. Particularly in the security business, much good work has been done by the press in distributing and disseminating worth-while information. Educators are taking up the problem of investment in the schools. Education, however, is a slow process, and it must be supplemented by efficient law enforcement."

Fina[illegible]ce Committee [illegible]o Study Taxation

Will Al[illegible]onsider Creation of Permanent Loan Organization

TO MEET DEC. 9

From Our Own Correspondent

OTTAWA.—Two main objectives have been set down for the National Finance Committee, which is to meet Dec. 9. The committee consists of the nine provincial treasurers and the federal minister of finance.

First is the creation of a permanent loan organization to coordinate the public borrowings of the governments in such a manner as to obtain money with a minimum demoralization of the investment market and at the lowest possible cost.

Second is the drawing up of a new arrangement between Dominion and provinces in regard to taxation and a scientific study of taxation.

The Dominion Government attempted last session to secure an amendment to the B. N. A. Act which would have redefined the taxation field as between federal and provincial authorities. The necessary petition, however, was defeated in the Senate under such circumstances as to make it improbable that a similar attempt next session would be any more successful.

The coming meeting of the National Finance Committee will explore means of achieving a similar object by voluntary co-operation, without a constitutional amendment.

Experience in Past

According to financial authorities at the capital, the lack of any coordinating loan body in the past has often been expensive and disconcerting.

Whenever a government body in the past has needed money, and has been advised by investment brokers that the market was in shape to take care of an issue, it has proceeded to float a loan with little or no attention to what other governments were doing or proposing to do. What has repeatedly happened, is that several governments, needing money, have watched the market until it appeared favorable and then, quite unwittingly, have floated their issues almost simultaneously. The market, which would have been quite capable to absorbing any one of the offerings, would be depressed and the last issue on the scene would not fare so well. After a deluge of this kind, it is said, the market is sometimes demoralized for weeks or even months. Proper timing of the loans would have permitted all the borrowing governments to have obtained their needs at a good price without breaking the level of bond prices.

Determine Type of Loan

Such a national body, according to the Ottawa view, would be useful in determining whether short, medium or long-term borrowing would be the more advantageous. Information regarding interest trends could be pooled and discussed. An example is drawn from the experience of Quebec, which, early in October, borrowed $51 millions. All but $15 millions of this was short-term. The view of the financial authorities at the capital is that with money at such a low figure—perhaps the low point of the present cycle—it might have been wiser to borrow for 15, 20, or 25 years, or even to create a perpetual stock. As it is now, the Quebec authorities will have $36 millions, falling due in 1938, 1940 and 1944, when it is quite possible that interest rates will be materially higher.

Taping Authority

In the taxation field, there are some curious developments to straighten out. The B. N. A. Act confined the provincial legislatures to direct taxation. The Dominion Government was not barred from the direct taxation field, but it was the understanding that the Federal Government would be financed from customs and excise receipts. During the war the Dominion invaded the provincial field with its personal income tax, and at present this forms one of the largest sources of federal revenue.

The provinces, faced with heavy expenditures for roads and other public works, and more recently for unemployment relief, have in turn invaded the Dominion field with gasoline, theatre, restaurant and sales taxes. There is considerable doubt about the legality of these provincial taxes. British Columbia attempted to collect a tax on fuel oil from the producers or wholesalers, and this was ruled ultra vires. They then proceeded to collect from the users of the oil, and this tax was sustained by the Privy Council.

Gasoline Taxes

There is considerable difference of opinion about the gasoline tax. Some Ottawa authorities think it is illegal, in spite of the prominence given at filling stations to the fact that the tax is collected from the buyer. Each filling station has to keep records and make separate returns. If the province had the power to collect from the oil refiners, the same tax could be collected for a fraction of the cost. It was this consideration which weighed large with the authorities when they were attempting to amend the constitution so as to permit the provinces to collect such taxes indirectly.

Similar considerations apply to theatre and restaurant taxes.

When Alberta applied a 2% sales tax last April, it was found necessary to add the tax to each purchase, and the merchant was required to keep the tax receipts separate for forwarding to Edmonton.

B. C. Authorizes $5 Millions Loan

Has Authority to Borrow a Total of $15.9 Millions

From Our Own Correspondent

VANCOUVER.—Although finding a lender may be more difficult than authorizing the loan, British Columbia's legislature has approved new borrowings up to $5 millions.

In addition, according to figures tabled in the House, the Government has unused balances amounting to $10.9 millions out of old bills. That is to say, it has borrowed $10.9 millions less than it is entitled to borrow under legislation passed since 1925.

Of the unused balances $2.3 millions is in the Pacific Great Eastern account for extension of the line to Prince George — a project never undertaken.

Last year the Government authorized a highway loan of $3 millions, but could not get the money at satisfactory rates. Added to the loan now authorized it will give the Government $8 millions for roads—if it can get the money.

The Government also has power to borrow $2 millions more for the New Westminster bridge as well as sums for relief account.

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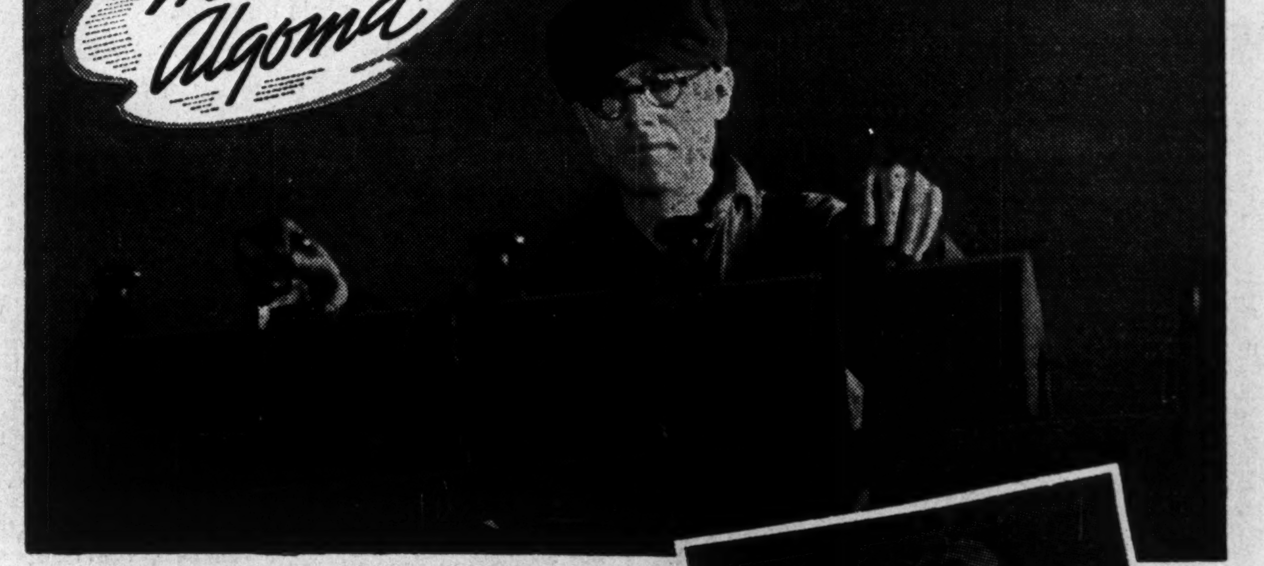

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John A. Lang

What cause for appreciation has John A. Lang & Sons Ltd. common stock? Is it all water or are there assets behind same?

There is no reason to believe that the capitalization of John A. Lang and Sons Ltd. has been watered. The capitalization of the company is small, amounting to only 100,000 shares of no par value. While the common stock equity at the end of 1935 amounted to only slightly more than $6 a share, earnings would indicate that the offering price of $12 a share was justified. The valuation of the stock was based on demonstrated earning power and partly on assets. On the basis of present dividends the yield on the offering price was 5.8%. Average earnings of the company in the years 1926 to 1935 inclusive were $2 cents a share. The reason for the appreciation of the shares to $16 has been the yield obtainable and hopes of higher dividends in the future. Last year earnings amounted to $1.20 a share and in 1936 to date there has been substantial improvement in sales.

Canada Bud

I would be grateful for information on capital, earnings and outlook for Canada Bud Breweries.

Canada Bud Breweries has a capital consisting of 150,000 common shares of no par value, there being no other securities outstanding. The company's earnings amounted to $1.06 a share in 1932, 50 cts. in 1933, 68 cts. in 1934 and 91 cts. a share in 1935. Dividends of $1 were paid in 1932, 45 cts. in 1933, 15 cts. in 1934 and 35 cts. in 1935.

For the first six months of this year, the company earned 32 cts. a share, and paid 40 cts. a share in dividends. Because of unusually warm weather in mid-summer months, it is believed the company's earnings for the full year 1936 will be in excess of those for 1935. One of the most encouraging features of last year's statement was that working capital had been increased to $303,000 or double the figure for 1934, and the bank loan had been reduced by about half to $80,000. While marked further expansion is doubtful, the company occupies a fairly stable position in the brewing industry.

Kelvinator, Canada

I am considering an investment in Kelvinator of Canada and would appreciate latest information concerning the shares.

You do not mention whether you mean the preference or common shares. The preferred shares have paid the full 7% dividend throughout the depression, and these dividends are guaranteed by Kelvinator Corp., Detroit, which controls the Canadian company. The amount of preference stock is small, and the dividend has been covered by a wide margin in the last two years. However, the preferred shares are callable at 105 so that a purchase above that price represents some risk of loss upon redemption.

Kelvinator common stock paid its initial dividend, amounting to $1.25 a share on Sept. 25, from earnings for the year ended Sept. 30, 1936. The outlook for the company is regarded as satisfactory by interests who are closely acquainted with its affairs. It has had particularly good results with its business abroad through Kelvinator Ltd., London, England.

General Steel Wares

I have been considering converting from some of the gold stocks into industrials, and have under consideration General Steel Wares, on which I would like to have a report.

General Steel Wares' operations and earnings this year are understood to be somewhat better than a year ago, when bond interest and depreciation were covered, with a balance equivalent to $3.59 a share on the preference stock. Expectations are that the company will shortly refund the 6% first mortgage bonds, which should result in a substantial saving in interest charges to the benefit of the preferred stock, which is in arrears to the extent of $39 a share.

Maple Leaf Milling

I am considering the purchase of some preferred shares of Maple Leaf Milling Co. Will you kindly give some information with regard to the earnings, bonds and preferred stock of this company? Are preference share dividends cumulative and what are the prospects of appreciation?

In the fiscal year ended July 31, 1936, there was marked improvement in earnings of Maple Leaf Milling Co., loss after depreciation and bond interest amounting to $135,000 as compared with $388,000 in 1935. This improvement, we understand, has continued in the current year to date. Less competition in the domestic market for flour and bread, and better prices, although volume is not much larger, in the export flour market, have been responsible for this improvement. Continuance of a stabilized domestic market and steady improvement in flour exports would, of course, benefit the company greatly.

As you no doubt know the reorganization plan of 1934 provided that bond interest for the years 1934 to 1938 could be paid half in cash and half in preferred stock at the rate of two shares a year for each $1,000 bond. At the last annual meeting the president intimated that net annual earnings of $600,000, compared with $458,000 last year, would be needed to take care of prior charges which are being paid by the issue of class A preferred shares. He estimated net earnings would have to rise to $1 million annually before any dividends could be expected. At July 31 last the company had a deficit of $455,000 in working capital. Current bank loans totalled $4.3 millions and deferred loans $1.9 million. Naturally this situation will have to be remedied before the company could consider dividend payments.

Whether the preferred shares will appreciate in value will depend on what progress the company makes toward being able to pay the full 5½% interest on its bonds in cash by 1938. So far this has not been done although earnings last year, after depreciation, were equal to 81 cents for every dollar due in interest.

The preferred shares are entitled to a cumulative dividend of 70 cents a share from Dec. 1, 1938, and are entitled to participate equally with common shares, share for share, in any further dividend.

Harding Carpets

Is there any prospect of a dividend in the immediate future for Harding Carpets?

As you no doubt know Harding Carpets paid an interim dividend on its common stock of five cents a share on Aug. 1, 1936. It is possible a further payment may be made in the near future and it is expected the company's annual report which is slated to appear early in December will make some pronouncement with regard to dividend policy. The expectation of a further dividend distribution is based on the improvement in the company's position during the current year.

It is understood that earnings in the fiscal year ended Oct. 31 were higher than last year, when 23 cents a share was earned. During the six months ended April 30, 1936, profits amounted to 17 cents a share, after making allowance for depreciation, bad debts and income taxes.

There has also been improvement in the company's working capital position. The bank loan which stood at $129,000 in 1934 and $14,000 in 1935 has been liquidated. At April 30, 1936, working capital stood at $302,017, compared with $254,775 as at Oct. 31, 1935.

International Metal

What do you think are the prospects of recovery in the value of the preferred stock of International Metal Industries Ltd.?

International Metal Industries is having a considerably improved year, but may not show the full preferred dividend earned in 1936. However, past experience shows that in really good times the company can earn sufficient money in one year to pay off all the arrears of preferred dividends. Since even a moderate further recovery would allow payment of the regular dividend without including the arrears there is hope for this investment.

North Star Oil

Will you please outline the position of North Star Oil Co. and its preferred stock. Are these shares likely to appreciate substantially in value?

North Star Oil Co. is a comparatively small organization in the trade, with $1 million of 7% preferred stock, outstanding, in shares of $5 each. Last year's earnings amounted to 52 cts. a share on the preferred, and the full dividends of 35 cts. a share annually have been resumed. The shares are in arrears of dividends of 43¾ cts., due to suspension of payments in 1933 and 1934.

The company operates a refinery at Winnipeg, and distributes oil, gasoline and other petroleum products through Manitoba, Saskatchewan, Alberta and northwestern Ontario. We understand the company's earnings have shown a tendency to increase this year. The possibilities of getting payment of arrears of dividends depend, to some extent, upon the company's working capital position. Last year, there was a deficiency of some $330,000 in working capital, and while this condition exists the company may not care to pay the arrears, although the full dividend of 35 cts. a share is being maintained. There are no securities senior to the preferred stock, which, however, is not likely to rise much above $5, the par value.

Brazilian Traction

Is there any news of Brazilian Traction cash dividend prospects? Except for the 30 cents in August there has been no cash dividend since 1932.

Brazilian Traction may pay another 30-cent dividend, or some sort of cash payment in the near future, as is reflected in the recent rise of the shares. The company is able to get money out of Brazil from time to time. Consequently, it is possible occasional cash payments can be continued.

Until the problem of Brazilian exchange is more satisfactorily settled, however, regular dividends cannot be expected on Brazilian Traction shares. The company's earnings in Brazil amounted to 74 cents a share last year, and may reach 80 cents a share this year. However, the problem is to transfer this money out of Brazil into foreign currencies. Officials of the company state there has been no immediate benefit to Brazilian Traction from the devaluation and stabilization of currencies.

Vancouver Bonds

I hold a 4% bond, due 1951, of the city of Vancouver. Can you give some information in regard to the financial status of the city and the present position of its bonds?

Vancouver cannot be said to be in a completely sound financial position. During recent years the city has suffered from reduced tax collections. As a result there has been deterioration in current position, bank loans showing a substantial increase. At the end of 1935 the city had total bank loans of $6.8 millions, of which $4.8 millions were secured by unsold debentures. In addition, the city's sinking fund is $8.5 millions in arrears.

During the current year there has been considerable improvement in the outlook for the city. Tax collections have shown increases and relief costs have been reduced as a result of business recovery and the action of the senior governments in assuming 80% of the cost of relief instead of only 66 2/3%. From March 31, 1937, the city is to be relieved of social service costs estimated at $360,000 annually. It is generally felt that with sound management the city should be able to pull through its difficulties.

One of the principal reasons for the decline in Vancouver bonds has been the campaign carried on by Mayor Gerry McGeer for a reduction in interest rates. If business improvement continues to be reflected in the affairs of the city, its bonds may sell at better prices, but they will continue uncertain as investments and as to marketability as long as arbitrary interest reduction is proposed.

Can. Investment Fund

Will you please let me know something about Canadian Investment Fund? Is it a sound organization and who is running it?

Canadian Investment Fund is an investment trust managed by the Calvin Bullock organization. Its investment portfolio consists of a well diversified list of the better grade Canadian stocks. This trust was organized at the low point of the depression and, as a result, the market value of its portfolio shows a substantial increase over cost price. The income received from its investments is distributed to the shareholders regularly and the extent naturally depends upon income for the period.

Fraser Cos.

I would appreciate your opinion on Fraser Paper as a buy at the present time.

Fraser Companies consolidated net earnings increased to $1.8 million for 1935 from $1.6 million in 1934. Net loss after interest and other charges was $84,288 compared with a loss of $371,842 for 1934, substantially lower than the loss reported in any year since 1928.

Volume of business obtained for the pulp and paper mills at Edmundston and Madawaska during 1935 was greater than obtained during the previous year, but the lumber business was at a somewhat lower volume than during the past three years. Current reports are that operations are on a relatively satisfactory basis, though it is difficult to say, in the absence of official reports, whether or not earnings will be any larger in 1936.

Under the recent plan of reorganization carried out by the company, with approval of the bond and shareholders, financial position of the company has been greatly strengthened. As a result cash interest payments are being made on funded debt, but there is no immediate prospect of a payment on the common stock.

Brewing Corp. of Canada

What is the reason for current low prices quoted for preferred shares of Brewing Corp. of Canada when the company is paying a $1.50 dividend?

The low price of the preferred on the basis of the dividend of $1.50 a share reflects apprehension of investors over the permanence of the half dividend rate. Current assets at July 31, 1936, were almost $2.9 millions, of which inventories and bills receivable amounted to $2.2 millions. While the necessity is less for large inventories in the winter months when beer sales are lower, at the same time it is true that the company has to pay the regular dividend in that period, when its earnings are low. Payment of a dividend slightly in excess of net earnings after depreciation is the equivalent of using part of the depreciation provision for payments to shareholders.

Consolidated Paper

I hold some of the bonds of Consolidated Paper and would like to know from you what are the prospects of interest payments.

Consolidated Paper Corp.'s outlook continues favorable. The financial statement for the 1936 fiscal year showed a substantial increase in income and a further gain is expected to be shown in the 1937 statement. Under the terms of the proposed reorganization, shareholders will receive 15 shares of common stock in lieu of interest over the next three years. The stock has a ready market and can be converted into cash or held by the holder in anticipation of further improvement.

Can. Terminal System

Please advise as to the present value, if any, of Canadian Terminal System five-year 6% debentures, due June 1, 1936.

We are informed by the trustee for the debenture holders, Prudential Trust Co., that steps are now being taken which, it is hoped, will result in a small payment being made to the debenture holders. The security back of the debentures consists largely of real estate, and through liquidation of some of these properties, together with revenue from others, it is hoped to get together enough money to make an interim payment. The trustee is not in a position to inform us as to what the debenture holders may expect, but says that whenever the money is available the debenture holders will be immediately informed. As far as we know there is no market for these debentures.

McColl-Frontenac

I would like your view regarding the earnings outlook of McColl-Frontenac Oil and the merit of the common stock as an investment.

McColl-Frontenac Oil Co. is one of the larger Canadian distributors.

Ahead of the common stock are the following securities: $9.4 millions of 6% first mortgage bonds and $7.8 millions of 6% preferred stock. It is believed that eventually the company will make some effort to redeem all the bonds and preferred shares by issue of additional common stock, so as to have only one class of security outstanding. The companys earnings declined from $1.81 a share in the year ended Jan. 31, 1932, to $1.16 a share in each of the last two fiscal years. However, this covers the common dividend of 80 cents a share. The company has a strong working capital position.

If McColl-Frontenac has successful results in its endeavors to get oil in Trinidad on its leases, and if its Canadian earnings are maintained, there is some possibility of improvement in the investment position of the common stock.

The Woman Investor

Investing $20,000

HOW can the widow whose husband leaves her an estate of $20,000, use the money to best advantage as her sole source of income?

The problem recently confronted a western Canadian lawyer who drafted several plans, including deposit of the money with an insurance company, purchase of a government annuity, or the purchase of western provincial bonds.

The insurance plan involved deposit of around $14,000 with an insurance company and a further deposit of $5,000, the former to be repaid $100 monthly for 15 years, on a 3⅓% guaranteed basis; the remaining $5,000 being used to buy an annuity to commence at the end of 15 years, at the rate of $50 monthly for life. The disadvantage of the plan was its encroachment on capital, diminishing yearly for 15 years and the limitation of income to only $50 a month thereafter.

A government annuity on the ordinary life plan was the second proposal, involving a cash payment of $18,500 to yield $90.84 monthly for life. The other proposals for purchases of bonds were estimated to yield $72 a month in interest in one case and $95 a month in the other, from 4% bonds of Manitoba and 5% Saskatchewan bonds respectively. In both cases principal remained intact but some degree of risk attached to the investment.

• • •

Annuity Is Chosen

OF THE four plans, the Dominion Government annuity was preferred because, although it meant disappearance of the estate at death, it provided the largest income with greatest safety during life. It was modified to the extent of retaining some cash for use in cases of emergency, illness or other unexpected expense which the monthly income might not be able to meet.

Purchase of either Manitoba or Saskatchewan bonds was discarded in the case of the widow because neither province has been able to pay the full cost of Government, relief and debt charges, and consequently, it is possible that should the Dominion Government come to the aid of these provinces at some future time, the bonds might be refunded at lower rates.

• • •

Bonds Carry Risk

IF, FOR example, refunding meant a new 3½% interest rate in place of the present 4% and 5% rates, a widow holding such bonds would find her income reduced. On the other hand the value of the bonds might increase. Since income was the first requirement, however, the woman might later find herself in the position of having to sell the new bonds to purchase an annuity, in order to secure the necessary income. The increase in capital through a higher value for the bonds is uncertain in the meantime.

The short-cut to adequate income with the highest degree of safety lay in the purchase of the annuity, particularly since there were no dependents.

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Privy Council Next Step In Hydro Contract Battle

Ottawa Valley Power Wins Decision Before Appeal Court

LAW'S DELAYS

Provided that the Privy Council of England upholds the three to two decision of Ontario Appeal Court, Ottawa Valley Power Co., Beauharnois Power Corp., Maclaren-Quebec Power and Gatineau Power Co. will be able to enter suit on the validity of their cancelled contracts with the Ontario Hydro-Electric Power Commission and to try to collect the amount owing on the power which was available but refused by Ontario Hydro.

While the case might still be fought through the courts for months, the decision may improve the chance of a deal between Ottawa Valley Power Co. and the Hydro. No official steps to this end are being taken, however. The Hydro, it is believed, might not be unreceptive to compromise proposals by the one company.

Ottawa Valley Takes Lead

The Power Commission Act, cancelling power contracts between the Hydro Commission and the four Quebec companies, including Ottawa Valley Power, expressly stated that no action could be taken against the Ontario Government or the Commission, either by the companies or other interested parties.

This Act was passed by the Ontario Legislature early in 1935 and went into effect some time later. Validity of the Act was questioned in the courts by Ottawa Valley Power and a bondholder last January.

The case was dismissed in the lower courts, the judge ruling that without the consent of the Attorney-General no action could be taken against the Hydro Commission.

The ruling was appealed to the Ontario Court of Appeals. Three of the five judges, Masten, Fisher and Middleton, decided that the action against Ontario Hydro could be taken without a fiat from the Attorney-General. The other two, Chief Justice Latchford and Justice Riddell, upheld the validity of the Act.

Go to London Next

Consequent upon the decision of Court of Appeal, the bonds of all four Quebec companies advanced in value, particularly those of Ottawa Valley Power Co. While this is an important victory for the plaintiffs, the right to sue for the amounts owing under the contracts will not be decided until the Privy Council hears the appeal. It is expected the case will be argued in London at the mid-winter sittings of the Judicial Committee. Subsequently the validity of the contracts might have to be argued through the courts, and the circumstances might be altered by revision of the Ontario Power Commission Act.

Both the operating and financial affairs of the four Quebec companies have been seriously disrupted by the action of the Ontario Government in repudiating the contracts made by Ontario Hydro.

Hit Private Operators

Ottawa Valley Power, which has lead the fight for the right to sue jointly with Ontario Hydro constructed a power plant at Chats Falls on the Ottawa River. Hydro made a contract with the company, whereby the latter agreed to hold 96,000 h.p. of electrical energy available for the Commission for 40 years at $15 a horsepower.

When this contract was cancelled last fall, Ottawa Valley had to shut down the plant as it had no other customer. Later the company had to default interest on its first mortgage bonds, as it was impossible to renew contractual relations with the Commission.

Beauharnois Power Corp.'s operating subsidiary's contract with Ontario Hydro called for ultimate delivery of 250,000 h.p., of which about half was being delivered when the contract was cancelled. Efforts were made to secure a new contract, but the Commission refused to negotiate. Loss of this business placed the company in a position of possibly defaulting on the operating company's first mortgage bonds. This was avoided when Montreal Power, which has a substantial stake in the enterprise, made an exchange of securities.

Two Make Contracts

Maclaren-Quebec Power Co.'s contract with Ontario Hydro called for ultimate delivery of 125,000 h.p. At the time the contract was cancelled the company was delivering 40,000 h.p. Shortly thereafter the company entered into a new contract with Ontario Hydro for delivery of 40,000 h.p. for a period of 10 years. This business enabled the company to meet its obligations.

Gatineau Power Co., the fourth Quebec company involved, held the largest contracts with Ontario Hydro, involving delivery of 260,000 h.p. of 25 cycle power and 80,000 h.p. of 60 cycle power. These contracts were cancelled and new ones entered into between the company and the Hydro. The latter called for much the same amount of power, but at a considerably lower price.

C.N.R. Considering Newer Equipment

From Our Own Correspondent

MONTREAL. — Canadian National Railways will modernize its passenger equipment on "a planned and carefully considered" basis, according to statement made by President S. J. Hungerford.

There is no indication that the C.N.R. will be in the market shortly for additional equipment. However the president said: "All the revolutionary experiments and innovations in equipment design and service features in the United States have been and are being closely examined with the intention of introducing as early as possible those features which could be adopted to advantage in Canada."

Newsprint Shows 12 Per Cent Gain

Continued strength in newsprint production featured early October figures released from Ottawa this week. Details of output are shown on page 3. Other business statistics, page 7.

		—Change—	
		From prev. period	From prev. year
Monthly:	October	%	%
Newsprint prod., tons	301,106	+11	+12
Life insur. sales ...	30,092,000	+11	—1
Weekly:			
Car loadings, No. ..	56,860	—2	+8
Cattle sales, No.	21,240	—18	—10
Hog sales, No.	27,580	+3	+78

Newsprint Improves

Newsprint production by Canadian mills in September totalled 268,782 tons against 223,892 tons in September, 1935, or an increase of 45,890 tons, equal to 20.4%. Canadian mills produced 323,988 tons more in the first 9 months of 1936 than in the same period of 1935, a gain of 16 and 4-tenths per cent.

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Bell Telephone Restores Full-time Work Basis

From Our Own Correspondent

MONTREAL.—C. F. Sise, president of the Bell Telephone Co. of Canada, announces cancellation of compulsory "short-time" in Quebec and Ontario, thereby swelling employees' pay envelopes by $340,000 a year.

"The general improvement in business activity," Mr. Sise said, "has increased the available work to such an extent that compulsory time off, usually taken on alternate Saturday mornings, with corresponding reductions in pay, will be cancelled as of Dec. 1 next."

United Amusement Buys Into Suburban Theatres

From Our Own Correspondent

MONTREAL.—United Amusement Corp. has acquired a substantial interest in the Suburban Theatres Ltd. The latter is now constructing "The Astor" theatre in St. Lambert, P.Q. It is expected to be opened early in December.

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Wages—Up or Down?

Definite Policy Impossible — But Industry's Objective Must Be Improvement of Worker's Lot

By JOHN DUKE

Practically all Canadian industrialists interviewed by The Financial Post on the subject of wages, are agreed that it is unwise to be too positive or dogmatic in asserting what ought to happen to wages, or is likely to happen to wages, in the next few years. One of our most forward-looking Canadian manufacturers says:

"I do not see how a business can determine the policy which will govern its action on wage rates two or three years ahead.

"Under present international conditions, world economy is being determined largely by a three-way struggle between Communism, Fascism, and Democracy. He would be a brave man who would undertake to prophesy the result a few years ahead. Increasing government interference in business, new forms of taxation, and changes in the organization of labor add still further complications to a very complex international situation.

"The businessman's problem is to direct his business in the changing conditions which will result from all these factors. The discussion becomes purely academic when we arbitrarily decide that we are going to fix on a policy of either raising or reducing wages when the real factors which control the situation are beyond our knowledge."

No Chance of Set Policy

Still another large-scale employer finds himself unable to forecast the final result on wages of government deficits that threaten inflation, of monetary changes, of higher taxes, etc. He says:

"In such a maelstrom of conflicting ideas, how can there be a settled policy with regard to wages or anything else? One factor, the price of agricultural products, urges prices and wages as reasonable as possible so that transactions may be encouraged. On the other hand, higher taxes and unbalanced budgets mean higher costs, a lowered value of the monetary unit and higher prices. The conditions provide no grounds for establishing policies. These must be framed to suit the kaleidoscope changes with an endeavor to be fair to the various factors involved."

Ability to Pay Comes First

But he does not hesitate to lay down what he regards as the "guiding principle" in determining wage policies. It should be, he says:

" . . . to accord labor in wages its fair share for its contribution to the combined effort. But above everything, the position of the consumer and his ability to pay determine the prices of goods and consequently, the amount of wages available to be shared between capital and labor. Industrial policy should, therefore, be framed to achieve that state of equality in values which will produce the greatest rapidity of exchanges."

Incidentally, it may be noted that the simple principles that should govern the relationships of employers and workers were well put in the "Rerum Novarum" Encyclical of Pope Leo XII, who said in 1891, "It is only by the labor of workingmen that states grow rich," and who said also, "Capital cannot be without labor, nor labor without capital."

Not Entitled to All

Leo XIII preached the doctrine of just distribution. He refused to admit that the worker was entitled to the full product of his toil. Capital had to be considered.

The present Pope in 1931 further adumbrated the Church's views on wages. He declared the first principle was that the wage paid to the workingman must be sufficient for the support of himself and his family. At the same time he emphasized that "it is unjust to demand wages so high that an employer cannot pay them without ruin." Bad management and out-of-date methods were no just reason for lower wages but the problems besetting the business had to be considered.

Must Stay Within Limits

The scale of wages, said Pope Pius XI, "multiplies opportunities for work as long as it remains within proper limits and reduces them if allowed to pass these limits . . . A scale of wages too low, no less than a scale excessively high, causes unemployment."

The object to be attained, said Leo XIII, was the uplifting of the proletariat. And truly, if one reads correctly the views of Canadian industrialists as expressed in their statements to The Financial Post on the subject of wages, they believe that our economist system is futile and meaningless unless it is a progressive capitalism that they practise. The objective of industry, they believe, must be the improvement of the lot of the worker.

The progressive employer of today and the progressive labor leader alike think of wealth not as something to be captured but as something to be created.

In the immediate situation, the problem the industrialist faces is one of applying these broad principles and at the same time meeting the emergency problems of the depression.

Argues Wage Increases Hurt Worker, Employer

By R. J. DEACHMAN, M.P.

In recent issues The Financial Post discusses, with the help of certain leaders in Canadian industry, the wage problem.

It would not be difficult to contend that the present unsatisfactory monetary condition arises largely from our failure to follow what seems the logical trend, namely, the reduction of selling price and the raising of standards by lowered costs of living, rather than by attempting to raise the wages of labor, which results in benefits to some and loss to others, and the eventual destruction of the market for the products produced.

By every test the wage increase proposal is wrong. It robs the laborer and under the guise of pretending to raise wages actually decreases the real remuneration of labor. It hurts the manufacturer because it increases the costs of production, thus limiting sales. Finally it destroys our export market by raising costs and taxing unduly the basic producer who is asked to raise wages to a point at which profits cease and eventual ruin of his industry becomes inevitable.

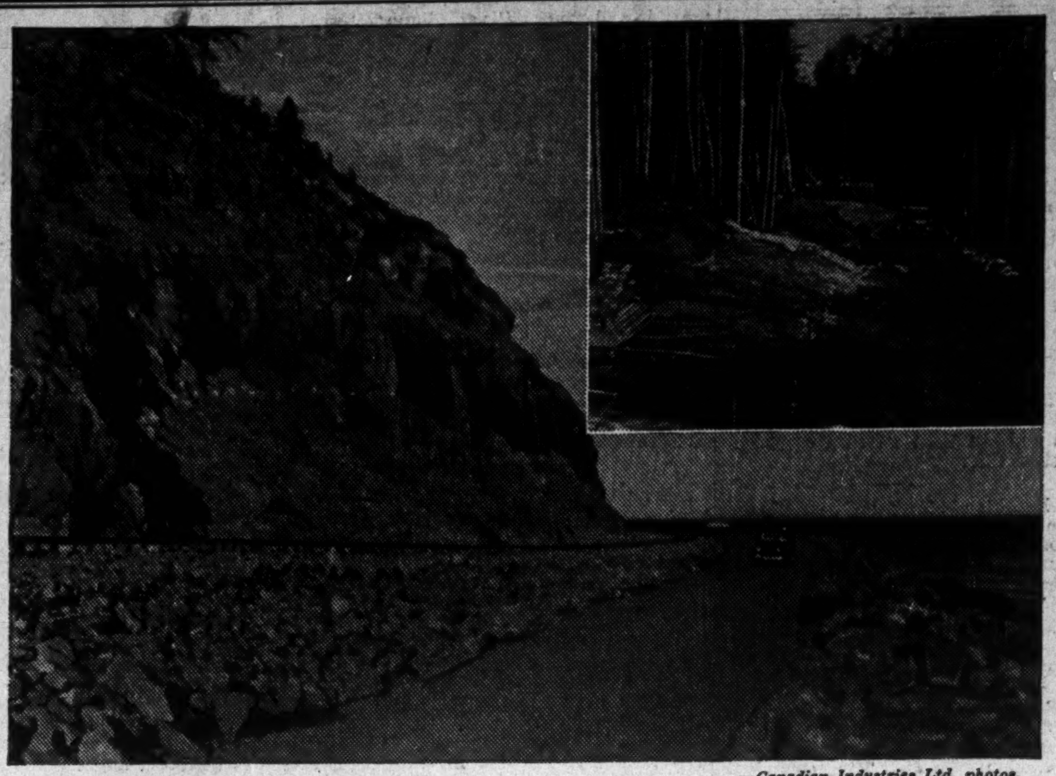
If Canada is to be prosperous it must be a country with low costs of production and low selling prices. There will also be low nominal wages and high real wages, a prosperous agriculture, low tax rates and a balanced budget. Toward these goals we should move—that way prosperity lies.

See Potato Crop Close to Normal

No Serious Shortage Unless Big Exports or Winter Rot

Due to the excellent yields in Eastern Canada and the Northern Prairies which offset drought damage elsewhere a fair total crop of potatoes is estimated by the Dominion Bureau of Statistics. Total production is put at approximately 39 million cwt. or fractionally better than a year ago. Providing the keeping quality of the potatoes is up to average and exports are no more than in 1935-36, this volume should prove sufficient for domestic consumption at firm prices.

The Canadian domestic potato market is a very sensitive one and a surplus of only four or five million cwt. is sufficient to upset values. Anything over 40 to 45 million cwt. generally indicates very low prices but, of course, the reverse is true for anything under that amount. The present crop, however, is so close to what might be regarded as sufficient that merely firm rather than higher prices are expected.



—Canadian Industries Ltd. photos.

OPENING NEW COUNTRY

When the Ontario Paper Co. decided to build its $6 millions paper mill at Comeau Bay, on the north shore of the St. Lawrence, 200 miles below Quebec City, it was necessary to construct a new railroad and a new road into the recently established townsite. Rock had to be blasted and trees felled to clear the way. Now after seven months of hard labor the path is cleared. Main picture shows the new road and railroad leading to Baie Comeau and inset is a view of the heavily forested townsite.

Huggard—Private Trustee!

Should Rights of Private Trustees Be Supervised and Regulated In Ontario?

By THOMAS C. THOMPSON

What is the real story behind Ontario's "Huggard Case?"

Gordon G. MacLaren, young Toronto broker who with honor wore the three stars of a captain during the war, wears a number and prison garb for the next five years.

Robert Fletcher, who shared a comfortably furnished brokers' office in Toronto with MacLaren, his partner, will spend the same five years in the same penitentiary.

And a nerve-racked, disillusioned and broken John J. Huggard, one-time respected village lawyer of Seaforth, Ont., stepped from a Goderich, Ont., courtroom to resume his sentence of three years in prison for his part in the affair that brought poverty and hardship to dozens of aged Seaforth "investors."

The Huggard case is over.

But the underlying conditions from which it arose continue in Ontario as before. Anyone in Ontario—lawyer or laborer, clergyman or crook, businessman or bandit—can act in the capacity of a trustee for the funds of the public.

There is no restriction, supervision or audit of individuals who choose to act in such a capacity and who are successful in gaining the confidence of the public to the extent that the latter entrusts them with the handling of funds in a position of trust.

Responsible financial institutions—banks, trust companies, mortgage and loan companies, members of recognized stock exchanges—must, however, submit to strict supervision, and in some cases government supervision and audit.

The Huggard case draws attention to the losses by financial defalcations in Canada since 1929.

Series of Defalcations

The gambling of a western Canadian grain company official a few years ago nearly ruined his company. It was common knowledge that his efforts to "play the wheat market" cost the company its reserves and required years to replace them.

Later came the discovery that the funds of a western Anglican Synod had been misappropriated by a trusted official.

The Kingston, Ont., area was the locale of a similar betrayal of trust.

Suicide and disgrace have followed more than one case of defalcations by brokers' employees in Ontario during the last few years.

Lawyers Also

Ontario recalls the case of a prominent and well-loved Toronto lawyer and author of note, who, after a blameless career, was revealed to an astonished public as a self-confessed embezzler of his clients' money.

Huggard, the lawyer; MacLaren and Fletcher, the brokers; churchmen, businessmen and others who make up the record of embezzlement in the last few years were completely unprotected against their own weaknesses and their disgrace followed.

Bonding and Supervision

The Huggard case and others similar to the Huggard case might be prevented, or the ensuing losses minimized by the treatment of individuals acting as trustees on the same basis as financial institutions.

Bonding, government regulation, supervision or inspection, periodical or surprise audits, licenses with the necessity of reporting balance sheet position at frequent intervals to competent supervising authorities, would lessen the danger of defalcation.

The obvious objections are that strict supervision of all persons acting as trustees would give a false sense of security to those entrusting their funds to licensed or supervised individuals; that bonding rates would be too high; and that defalcations are the exception, not the rule.

First indications of the growing impression that some measure of supervision is needed were evident at a recent meeting of the Ontario Municipal Association when a resolution affecting the rights of individuals to act as trustees was prepared. It was shelved, however, apparently with the belief that neither the professions nor public opinion have yet become sufficiently acquainted with the need of further safeguards for the small investor.

Proponents of a system of government licensing for private trustees point to the safeguards surrounding institutions operating in that capacity, and advocate adaptation of the same principle to individuals. Losses, it is held, are largely those of an investment character which a government audit would reveal in their early stages, thus preventing a panic-stricken lawyer, doctor, broker, clerk or businessman from plunging deeper in the hope of "covering up."

Another proposal, involving supervision and regulation, is a suggestion for the inclusion of private trustees under the regulations of the Registrar of Trust and Loan corporations in Ontario. This, it is held, could include individuals, private partnership firms, companies and societies engaging in the duties of trustees, loaning of money subscribed by members or the public, or acting as executors or administrators for estates. Bonding as a measure of protection is, however, a method gaining wider support among businessmen.

Bonding Is One Solution

In the Huggard case, bonding might have saved heavy losses to the so-called "investors" who placed their assets in his care. In a pathetic letter, made public at Huggard's trial, the harassed man expressed the belief that all losses would be regained if his holdings in Great Lakes Paper Co. rose to a moderately higher price. It was a belated and perhaps futile gesture of contrition, contained in a letter to his wife in which Huggard appeared to be making a feeble effort to undo the damage created by his plunging. But Huggard was not bonded and those who trusted him have no compensation of that nature.

Business organizations which bond their employees in positions of trust do so not because they distrust them, but because they recognize the very human trait which exposes even the most honorable men to temptation. Bonds in such instances are merely a form of insurance against any weakening of the character in a man who will resist temptation in 99 cases out of 100. The bond is protection against the 100th man in whom trust has been mistakenly placed, or against the disintegration of the honest employee's moral fibre.

Government Studies Problem

The Financial Post learns that official government circles have studied the proposals and their possible application in Ontario on more than one occasion. One objection is that enforcement of measures would itself be a colossal task. There are, for example, nearly 2,000 practising lawyers in Ontario alone, to name only one group in which members frequently act as trustees for the funds of their clients.

Is supervision worth while?

The answer may lie in the old axiom that an ounce of prevention is worth a pound of cure.

More Oil From N. B.

A large gain is reported in production of crude petroleum from New Brunswick this year. During the first 7 months of 1936 output totalled 9,917 barrels against 6,828 barrels in the corresponding period of 1935.

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General Offices: PARIS, ONT.

PEN ANGLE WARRANTED PENMANS KNIT-GOODS

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning and operating mills at

Beaupré, Que.
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Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
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Standardize on reliable products

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ATLANTIC CITY

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OPPORTUNITIES for greater sales volume and more profits may be found in the markets of the world. They must be sought—they are not to be found without effort, without careful, competent search.

The Canadian Government Commercial Intelligence Service is devoted to close, practical study of the buying resources of British Empire and Foreign Countries for Canadian commodities. Its prime purpose is to find openings for increased Canadian sales abroad.

A COMPLETE TRADE INTELLIGENCE SERVICE

Canada has many things to sell. But competition, everywhere, is keen. The product and the price must be right . . . packaging must be acceptable . . . merchandising must be undertaken with a sympathetic understanding of the consumers' needs.

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32 COUNTRIES
CANADIAN TRADE COMMISSIONERS are located in the following Countries:
ARGENTINE REPUBLIC, BELGIUM, AUSTRALIA, BRAZIL, BRITISH MALAYA, BRITISH W. INDIES, CHINA, CUBA, EGYPT, FRANCE, GERMANY, INDIA AND CEYLON, IRISH FREE STATE, NORTHERN IRELAND, HONGKONG, ITALY, JAPAN, MEXICO, NETHERLANDS, NETHERLANDS INDIA, NEW ZEALAND, NORWAY, PANAMA, PERU, SOUTH AFRICA, UNITED KINGDOM, UNITED STATES

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OTTAWA
HON. W. D. EULER, M.P. MINISTER.
JAMES G. PARMELEE, DEPUTY MINISTER.

THE FINANCIAL POST

SECOND SECTION

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Will Clarify Death Duties In Ontario

Government to Revise Succession Duties Act of 1892

GIFTS CAUSE FRICTION

It is understood in well informed quarters that a general revision of the Ontario Succession Duties Act is being made by provincial law officers. Announcement of the recasting of the act is expected to come from the Government, probably in the speech from the throne when the Legislature opens its next session.

It is believed the Government intends to exempt entirely from the provisions of the act gifts to charitable and educational institutions in Ontario.

Revise Gift Provisions

Another feature of the revised law is expected to concern gifts before death. This subject has led to considerable criticism of the Government's aggressive campaign to collect succession duties.

It is believed the new law will widen the present exemptions. The law now provides exemptions on gifts made to father, mother, children or children-in-law more than three years prior to death and not exceeding a total of $20,000 in all, among them. Otherwise, gifts since July 1, 1892, are regarded as part of the estate for succession duty purposes.

To Tighten Administration

The aim in re-drafting the act is understood to be clarification of various aspects of the law and provision of penalties in such a way as to eliminate many of the criticisms heard from those handling estates. The present act leaves a great deal to be decided by those administering it whereas it is believed that the intention of the Government is to remove this responsibility from the civil service by putting it in the statute, as far as this may be possible.

Strict administration of the act by the present Government, without changing the statute at all, has resulted in heavy collections and penalties and has also caused considerable dissatisfaction among estates officers and lawyers as well as heirs. Most of the complaints have concerned gifts prior to death.

Accounting and Rates

It is claimed, for instance, that by including in an estate numerous gifts made many years before the testator's death, the provincial treasury has raised the amount of estates for duty purposes, thereby increasing the rates applicable to the remaining assets. In one case it is said that a man without a substantial income had been giving over $1,000 a year to charities for many years prior to his death. The treasury is said to have suggested inclusion of these gifts in the total estate, which would have the effect of raising the succession duty rates on what assets were actually left behind it at death. This sort of gift is expected to be dealt with in the exemption of donations to charitable, religious and educational institutions within Ontario.

Another subject of complaint has been the checking of estates for gifts made far in the past. In some cases the Government has been requiring sworn affidavits as to gifts from all persons named in the will. This has made for difficulties, particularly where the persons involved reside abroad. It also creates a problem as to who is to pay costs of such affidavits.

Two Points of View

Treasury officials have contended that the only estates checked in this detailed manner are those in which there is definite evidence of evasion of succession duties. Lawyers and estates officers admit there was formerly a good deal of evasion but also state that the Succession Duties Act is loosely drawn and will benefit from general revision.

Persons connected with estates that have been rigidly re-checked by the Government regard the treasury's actions as somewhat arbitrary. Severe critics suggest that large estates have been made victims of the Government's promises to balance the provincial budget. It is claimed in some cases that the Government has imposed its demands for duties and penalties by tying up estates' assets by refusing a discharge from succession duties. One eminent counsel suggests the act is partly ultra vires the province.

By way of reply, the Government is satisfied that it has established the need for strict collections by having gathered in some $10 millions already this year. One of the comments heard in Queen's Park is, "No rogue but felt the halter's raw, but straightway railed against the law."

It is hoped among those administering estates and by government officials that the revision of the act will terminate the recent differences and bring about uniform administration by succeeding governments.

October Newsprint Exports Well Ahead of Last Year

From Our Own Correspondent

MONTREAL.—Exports of Canadian newsprint in October were valued at nearly $8.9 millions, compared with about $8.2 millions a year ago, according to returns released by the Dominion Bureau of Statistics.

United States led with purchases of $7.7 millions, followed by Australia with $1.2 million; United Kingdom, $291,177; Argentina, $176,495; Japan, $150,433; and New Zealand, $103,964. British South Africa, Brazil, China, Hong Kong, Uruguay and some other 20 countries accounted for the balance.

The Mail and Empire

SPANISH FASCISTS DEFY FRANCO-BRITISH WARNING

Italo-German Backing Cited; Madrid in Grip of Famine

The Globe

FIGHT FOR LEAGUE—EDEN

1938, States Hepburn

The Globe and Mail.

WILL NEVER PAY FOR POWER—HEPBURN

Loss of Albos With 7 Lives To Be Probed

A Salute to the Queen

A MESSAGE

Pledges Fight To the Finish On Contracts

New Taxicab Tariff May Be Established On Draper's Research

Business Is Booming At Royal Winter Fair Survey Indicate

THE GLOBE SWALLOWS THE MAIL

Moving with the same lightning speed that characterized his acquisition of The Globe little more than a month ago, C. George McCullagh, 31-year-old former Globe employee and ex-broker, electrified Canadian newspaper, political and business circles last week by buying Toronto's only other morning daily, The Mail and Empire.

To startled Torontonians, long accustomed to the idea of a semi-moribund Globe eventually passing to Mail and Empire ownership, Publisher McCullagh's second stroke of big business in the newspaper field was a more unexpected reversal of form than any in the newly-added Globe racing pages. To Liberals it was further evidence of rejuvenation of the erstwhile "Old Lady of Melinda Street;" to Conservatives the end of 64 years traditionally Conservative support from The Mail.

First repercussions of the swift move to eliminate uneconomic competition from the Toronto morning news field included announcement of a new morning daily, "The Globe and Mail," to be published by Mr. McCullagh with the backing of W. H. Wright, pioneer mining millionaire whose funds made the Globe purchase possible. First issue of the new paper appeared in 40 pages, crammed with advertising and carrying a circulation in excess of 250,000.

Prominent on page one was a statement of policy, pledging support of the Government in power whether Liberal or Conservative, but reserving the right to criticize with complete independence. Inside were features calculated to appeal to old Globe and former Mail and Empire readers alike. By-lines of former Mail feature writers indicated the new paper had absorbed at least part of the Mail's staff. Those who could not be given jobs with the new Globe and Mail were given four weeks wages; to editorial, business office, advertising, mechanical and circulation departments alike.

Feature Writers Recalled

Meanwhile some of the "names that make news" were being recalled to the office of Mr. McCullagh in the old Globe building (soon to be replaced by a new structure in another section of downtown Toronto). Former reporters, editors and feature writers were included in the first round-up. There was a sprinkling of those who won readers for the old Mail.

Unhampered by cash restrictions, the new Globe and Mail showed clearly in the first few issues its intention to dominate the morning paper field in Ontario. Advertising, circulation and mechanical efforts to raise the standard of the predecessor papers were in evidence this week as well as the intention to interest all groups of readers from Walter Winchell fans to readers of the time-honored "Homemaker."

Undisclosed, only the principals in The Globe and Mail purchases know what was paid by Mr. McCullagh and Mr. Wright for control of a news circulation affecting the daily reading habits of nearly a million people.

Three Dailies in Toronto

With the first sale, W. G. Jaffray, long associated with The Globe, and owner during its period of greatest financial strain after 1929, passed out of active news publishing. I. W. Killam, Canadian industrialist, but never closely associated with publishing, was the vendor of The Mail and Empire and with the second sale Toronto's dailies of large circulation were reduced to three; The Daily Star, The Telegram and The Globe and Mail. Other daily publications have no wide influence among the general reading public in Toronto.

Site of the old Globe at 64 Yonge Street is a time-worn building from which it is intended to transfer publishing operations to the former Mail and Empire structure, equally out-dated, at King and Bay Streets until the new Globe and Mail building is completed at King and York Streets next autumn.

New machinery and plant are planned with the object of building the new daily into a metropolitan newspaper bigger than anything contemplated by former owners of either the old Globe or the old Mail and Empire.

Old and New Combine

Strong British connections, announced as part of The Globe and Mail's policy, may be reflected in extension of existing news and interpretative coverage of British and European events. Racing, once banned under the former Globe regime, is now a part of The Globe and Mail's news coverage, and cigarette advertising, once also on the banned list, is appearing in the revenue-producing columns. Above, The Financial Post reproduces the old and the new front pages; the last issues of The Globe and The Mail and Empire the first front page of The Globe and Mail.

Wide Personnel Problems Raised by Sale of Mail

Wide questions of industrial relationships have been raised by the last minute gesture of George McCullagh, Toronto's new morning paper magnate, in putting up $40,000 to give an additional three weeks' pay to the men thrown out of employment by the Globe-Mail merger deal of last week.

The deal was really not a merger but a straight cash purchase of most of the Mail properties by the new owners of The Globe. Thus most of the former Mail and Empire staff find themselves with little opportunity for permanent employment once the present rush of business and "take-over" has subsided.

Only three members of the Mail organization were assured future employment according to the terms of the contract, although many more have been taken on to edit special columns, etc., and for a few days at least, the bulk of the Mail staff are being given employment to handle the substantial volume of business developed by the new set-up. All were dismissed at once, however, with four weeks pay.

Wide Interest

Reason for the sudden interest in the welfare of ex-Mail employees arises largely from the sense of personal interest among the 100,000 Ontarians who have made this Conservative paper their "morning Bible" for so many years. It has also focussed attention on the changed attitude between many employers and employees that has developed as a result of the bitter economic experiences of the past seven years.

As told The Financial Post, the problem which faced George McCullagh shortly after the sale had been completed was the fact that scores of men who had spent the best part of their working lives with The Mail and Empire were out of jobs with only a firing allowance of one week's wages in their pockets. Mr. McCullagh therefore announced that "on drawing on my human feelings" he had added a further three weeks' wages to the single week's allowance.

A quick check-up of what has happened in similar instances, made this week by The Financial Post, indicates that no two situations are exactly alike, but that in practically every merger or absorption of recent years, employees have been given considerably better treatment than has been afforded the Mail employees.

For example when the London Advertiser closed its doors a few weeks ago, all employees were given 80% of their wages or salaries for four months—provided they got no new job in the interim.

Information available on other industrial and institutional mergers is that in almost every case all employees taken over were provided for. In one case where a large retail organization was absorbed, the purchasing firm assumed all responsibility for the newly-acquired employees and their record of service with their former employer was treated on the same basis as that of their own employees.

Another large merchandising organization which has closed many units in recent years has treated all employees on a seniority basis with older employees being given as much as a year's salary if their services were no longer required.

Banks and Insurance Companies

Banks and institutional firms stand possibly at the top of the list in this respect. Most banks take it as a matter of course that all personnel be retained when a merger takes place. Those which reach the retiring age are pensioned in the regular way. One banker said that fortunately their absorption had come in more prosperous days, and suggested such liberal treatment might not be possible today.

A recent insurance company merger kept its new staff on entirely with two exceptions. In one case the employee was offered a new job but refused and left of his own accord. In the other case a proposition was made involving a lower salary, but the offer was turned down.

Other adjustments made necessary among its own staff were handled by new jobs being found or else by the payment of substantial bonuses.

Burden of Responsibility

Opinions also differ as to where the onus of responsibility lies. Here again the circumstances of the deal and the manner in which the property is to be treated by its new owners play an important rôle.

Some executives questioned, felt the responsibility should rest entirely on the shoulders of the seller, and that if they were not looked after by him, they could expect only indifferent treatment from their new employer.

Others expressed the view that both parties to the transaction should take responsibility to prevent the question of personnel falling between two stools.

Dominion Scottish Pays 25c Dividend

Dominion - Scottish Investments Ltd. has declared a dividend of 25 cents per share on the 5% cumulative $50 par redeemable preferred stock for the quarter ending Nov. 30. The dividend is payable Dec. 1 to holders of record on Nov. 20.

Int. Petroleum Position Good

Report Shows Increased Earnings, Assets of High Value

The second published annual statement of International Petroleum Co., major subsidiary of Imperial Oil Ltd., shows several notable improvements.

Earnings of slightly over $1.65 a share compare with $1.49 a share in the 1935 year. And they are only 85 cents a share short of meeting the full current dividends of $2.50 a share annually, compared with a shortage of slightly over $1 last year.

Investment Changes

The company's holdings of common shares, shown at $18.5 millions in the balance sheet this year were worth $18.7 millions at June 30. This is a marked improvement over a book value of $17.9 millions and market value of $13.5 millions in 1935.

The company reduced its holdings of preferred shares by $2.4 millions and its investments in vessel mortgages by $4 millions. The other major change in investments was an increase in bond holdings from $18.9 millions in 1935 to $31.9 millions this year.

The importance of these changes is that they show how conservatively the company's assets are valued. The clue to this is a profit of over $1.8 million on securities sold, coupled with the fact that the company bought more investments than it sold and reveals higher values for those of its holdings that have quoted market prices.

Further illustration of conservatism in the accounts is seen in the total provision for depreciation of fixed assets which amounts to over 71% of the book values. Also, the value of concessions and development expenditures have been written down more than 51% from book values.

Owing largely to write-offs, the equity value for International Petroleum stock is reduced to $10.95 a share in 1936 compared with $11.63 a share last year.

In the report for the year ended June 30, 1936, G. Harrison Smith, president, states, in part:

"Volume of production from the Peruvian and Colombian fields was approximately the same as in the previous year. . . .

"The company's oilfields in Colombia and Peru both enjoy the system of unit operation and continue to be produced with efficiency and economy. The practice of conserving all gas brought to the surface was continued and, after extracting the gasoline content and supplying all field and refinery requirements, your company returned to the producing horizons an average of 24.6 million cu. ft. per day in Colombia and an average of 21 million cu. ft. in Peru. This method of operation results in larger ultimate recovery at lower costs.

"The stepping up of the drilling programme inaugurated in the previous year is being continued."

Comparative earnings and major balance sheet changes are tabulated on page 18.

Pulpwood Prodigality

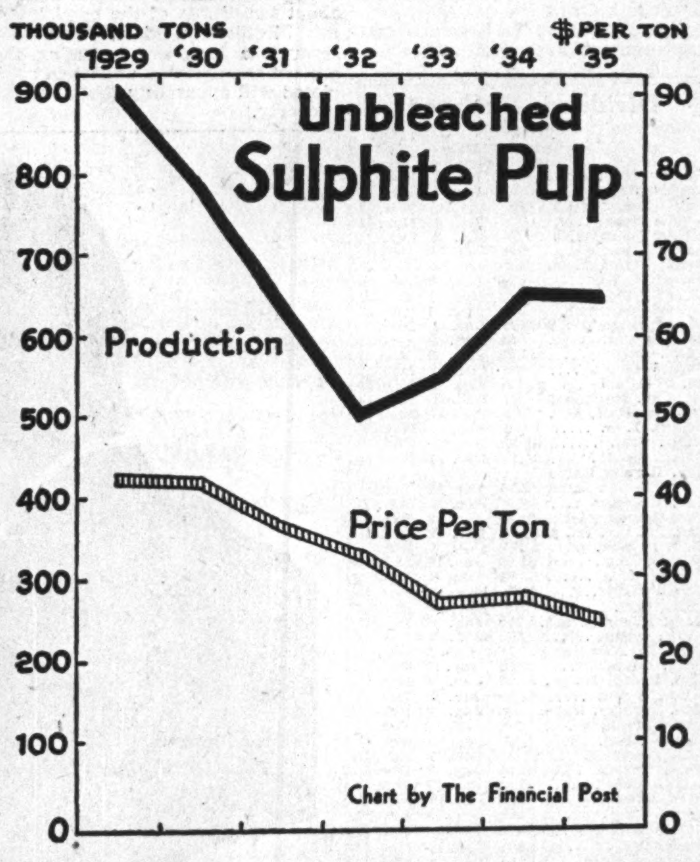

Chart by The Financial Post

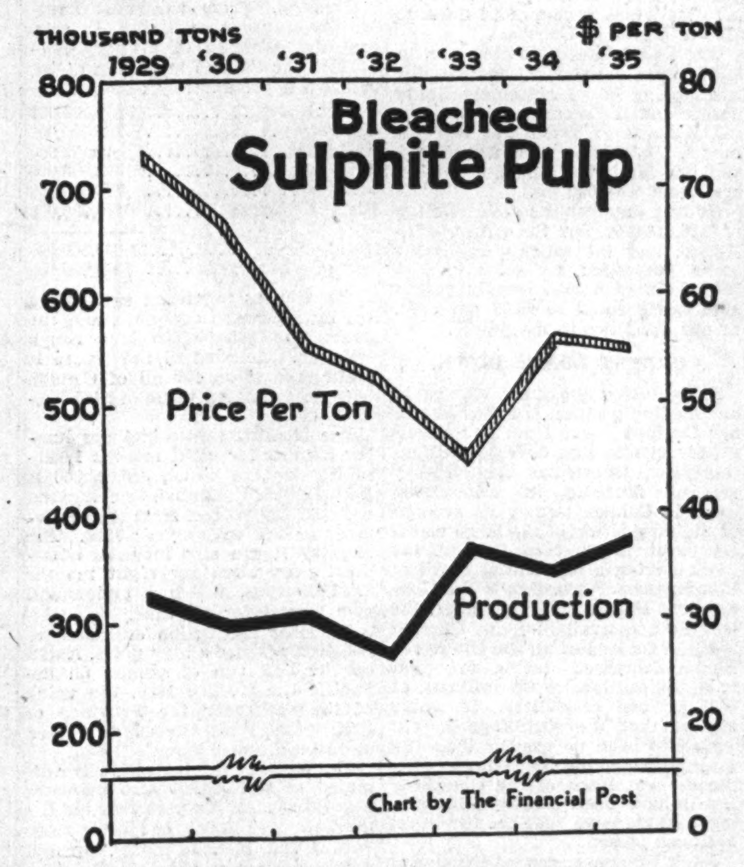

Chart by The Financial Post

Keen criticism continues of the present Ontario Government's policy of allowing huge exports of pulpwood cut from crown lands. Political opponents claim that raw forest products should be processed in Canada and that every previous Ontario administration has supported this principle.

The most recent attack comes from Hon. James Lyons, a former provincial Minister of Lands and Forests. He describes the Government's signing of contracts for export of some 600,000 cords of pulpwood to the United States as a direct reversal of policies of former governments. He suggests the Government should require the wood to be made into finished products in Ontario.

Premier Hepburn argues that the Government's export policy has increased by thousands the number of men who will have employment in timber areas this winter. And he claims that Ontario is supplying U. S. mills with supplies of timber which they formerly bought in Scandinavian countries.

Charges and Defence

It is claimed by opponents of the export regulation Ontario will receive only about $2 millions for the 600,000 cords but that the finished products would be worth millions more. The difference, it is suggested, will go to U. S. processors instead of to Canadian mills and workers. It is claimed also that the exports give an advantage to American producers of newsprint, allowing them to increase their depleted woodpiles instead of encouraging further development of the industry in Ontario.

Premier Mitchell F. Hepburn, in further explanation of the Government's policy, states that vast areas of timber had not been harvested when at maturity and had simply been allowed to build up dangerous fire hazards. His critics counter, however, by stating that slash as a result of cutting is a greater hazard than standing timber.

Sulphite Industry

Owing to the increase in value of bleached sulphite pulp for production of artificial silk, there is some feeling among pulp manufacturers that this section of Ontario industry might be developed by private capital if the advantage of wood supplies were not given to U. S. firms. One of the leaders in the industry suggests to The Financial Post that capital would be available to develop bleached sulphite pulp manufacture in Ontario if pulpwood supplies on crown lands were not made available to American mills.

In some sections of the forest industries, newsprint, pulp and lumber, it is felt the Hepburn export policy may have been all right when it was started because Ontario mills were comparatively inactive. With increased activity and demand for wood by Ontario mills, however, it is felt that continuation and expansion of exports of pulpwood is a mistake. It is claimed that it strengthens U. S. mills in competition with Canadian mills in sale of both newsprint and sulphite pulp and that the increased woods operations of Canadian companies makes the policy unnecessary from the point of view of employment.

Sales Show Increase

From Our Own Correspondent

MONTREAL.—Sulphite pulp sales, both bleached and unbleached, have recorded a sharp recovery from the depression low. The dollar value in the case of bleached sulphite has jumped about 50%, but there has been relatively little change in the returns for unbleached sulphite.

While not as important as its big brother, newsprint, sulphite pulp production figures prominently in the pulp and paper returns. Interest in this branch of industry has revived because of increasing demand for pulp in the manufacture of artificial silk, newsprint and fine papers.

Sulphite pulp is produced in two principal grades — bleached and unbleached. The former is of a superior quality and sells for approximately double the price of the unbleached products. The value of this business last year was about $37 millions. This represents a moderate gain over the previous year; about $8 millions over the low mark set up in 1932; and nearly $25 millions less than the pre-depression year of 1929.

The rising importance of the bleached product, from the point of view of dollar value, is shown in the following table:

$ Value of Sulphite Pulp Output

	Bleached	Unbleached
1929	$23,814,234	$38,144,801
1930	19,619,367	32,494,078
1931	16,978,118	22,434,000
1932	13,081,700	16,174,624
1933	16,109,572	15,070,885
1934	18,034,000	17,933,546
1935	19,551,605	17,546,789

While the dollar figures are of interest, the real trend of the sulphite pulp industry is seen in the production figures. Last year Canada produced 374,157 tons of the bleached commodity. This was the largest output ever recorded and was 34,000 tons more than in the previous year.

Of the bleached pulp produced only a small proportion is used in Canadian paper mills. The amount "sold in Canada," or that used in artificial silk mills is of more importance. The biggest outlet is in foreign markets. For several years past Canadian mills have developed a superior product which finds a ready sale in the United States, England, Japan and elsewhere. Not all of the exported sulphite is used for artificial silk, but it can be safely assumed that the larger share is sold for this purpose.

There are only three major producers of "rayon" pulp in Canada—Canadian International Paper's mills at Kipawa and Hawkesbury and Fraser Co.'s mill at Edmundston. Other plants turn out bleached sulphite, but as it is largely for their own use, they are not prepared to handle the finest grade.

The distribution of bleached sulphite pulp over the last seven years is set out hereunder:

Bleached Sulphite Tonnage

	For Own Use	Sold in Canada	Exports	Total
1929	22,953	39,613	261,982	324,548
1930	20,624	22,180	250,590	293,394
1931	22,923	22,200	256,225	301,357
1932	21,600	36,991	197,887	256,478
1933	21,330	35,675	298,807	355,812
1934	21,953	35,359	282,950	340,262
1935	26,422	40,855	306,880	374,157

Unbleached sulphite is primarily used for newsprint manufacture. In standard newsprint about one-fifth of the pulp used is sulphite, the balance being groundwood. The rapid rise in production of newsprint naturally has had an important influence on sulphite pulp operations. About two-thirds of the unbleached sulphite made in Canada is used in newsprint paper, the balance being used for other types and exported, as shown in the following table of production and distribution:

Unbleached Sulphite Tonnage

	For Own Use	Sold in Canada	Exports	Total
1929	662,541	50,866	198,257	911,684
1930	562,351	36,702	184,357	783,410
1931	484,372	28,082	127,768	640,222
1932	423,420	20,247	68,926	512,593
1933	420,524	31,580	101,697	553,801
1934	514,888	34,068	101,424	650,380
1935	510,718	37,306	96,794	644,820

Contrary to general opinion there has been no radical change in the value of bleached or unbleached sulphite pulp. As a matter of fact, unbleached sulphite has declined point in 1933, but is still well under recovered materially from the low steadily since 1929. Bleached sulphite, on the other hand, has the level prevailing prior to 1932.

Sulphite Pulp Price Trend (Per Ton)

	Bleached	Unbleached
1929	$73.37	$41.83
1930	66.87	41.48
1931	56.34	35.04
1932	51.01	31.55
1933	45.28	27.21
1934	53.00	27.57
1935	52.25	25.35

"Alcohol" Net To Show Gain

From Our Own Correspondent

MONTREAL.—Net profits of Canadian Industrial Alcohol for the fiscal year ended Sept. 30, 1936, are reported in the neighborhood of between $400,000 and $500,000, contrasting with $227,937 for the preceding fiscal year. It is stated that the forthcoming report, which will not make its appearance for some weeks yet, will show cash at approximately $800,000.

Officially the company is planning to distribute to shareholders the shares held in Olde Tyme Distillers Corp., which were secured in exchange for approximately a million gallons of Canadian Industrial Alcohol's American type whisky. Under the proposal, the company's shareholders will receive approximately one Olde Tyme share for each five shares held, with the current market value of Olde Tyme shares ranging between $6 and $6.75 a share.

The board is now proceeding with its plan to refund the debentures of the Robert McNish, a subsidiary, paying off in the operation a substantial amount, possibly in excess of the 20% originally mentioned.

All of the whisky sold by the company to the United States has been drawn down and officials are quoted as saying that the company is now receiving enquiries from a variety of new sources.

Social Credit Facing Threat Of New League

Organization in Six Weeks Has 15,000 Members

IT'S ANTI-ABERHART

From Our Own Correspondent

EDMONTON.—Rolling up with the rapidity of clouds before a summer storm, new factions in recent weeks have appeared on Alberta's political horizon.

Most impressive addition to the already well-assorted groups of the province is the People's League of Alberta, which, with six weeks organization completed, boasts a membership nearing 15,000 with activity humming at some 65 points throughout the province, both rural and urban.

Organizers stress that the movement does not represent a fusion of the old line parties—or any particular party. It is, they claim, simply an organization of all citizens interested in good government and the welfare of Alberta citizens, keeping in mind the following objectives—

To unite for common action and effort all persons who believe in free speech and a free press; the maintenance of democratic institutions and access of all to the courts of justice.

To advance mutually accepted methods of solving Alberta's social and economic problems.

To establish branches of the League throughout Alberta, on the understanding that the organization shall not in any way be associated with any political party or organ.

Not Political But . . .

While announcement would indicate the League aspires to nothing definite politically other than sound business government, the general opinion is that when the time arrives candidates will be within hailing distance. The objectives—there is no platform—are distinctly anti-Aberhart.

As background to the League principles stands the wide-open offer of D. M. Duggan, Conservative leader, to work hand in hand with all parties in the best interests of the province. Mr. Duggan's original suggestion was made prior to the opening of the first session of the Alberta legislature under the Aberhart regime.

Subsequent meetings and discussions quietly followed similar channels until after six weeks work, the People's League emerged shorn of all visible political drapery and so far directed by representative citizens—small taxpayers, farmers, professional men, ex-Social Crediters, former U. F. A. leaders and so on.

If League officials of the three larger divisions now operating in urban territory were to be canvassed they might credit Mr. Duggan with being father of the thought—and let it go. They admit no tie-up with any political party or group. The watchwords, carried on all literature and emphasized at every meeting, are "non-political—non-partisan."

In the discontent of present-day affairs and administration in Alberta—plus earlier suggestions from the Conservative leader—the League had its birth.

Started in Red Deer

Red Deer, thriving little city in central Alberta, recognized for sound finance and one of the few municipalities holding a gold-medal certificate from the Canadian Union of Municipalities for sound financing, is credited with being the home of the League. It has a thriving local branch rapidly spreading in all directions into rural areas. Other organized centres operate on the same plan of expansion.

In Calgary, following a short period of quiet organization, the selection of a temporary committee and one public announcement, the first meeting was held. It attracted over 750 citizens.

Shortly after, Edmonton members held their get-together and terminated a successful evening by electing a permanent slate of officers headed by S. W. Field, prominent barrister, along with an executive of 25.

With these three cities humming with League activity latest preparations are to expand into Lethbridge and Medicine Hat while in the same gesture executives are concentrating on rural points and individual farmers.

Use Same Tactics

Basic plans underlying the organization are not unlike those first utilized by Social Credit in building up its organization. The League aspires to establish branches at all towns, villages and cities and in turn have each branch subdivide into small district groups to carry on discussion, plans, suggest remedies for problems and—"bring a friend."

Some idea of the scope of the League may be obtained from the make-up of one of the larger temporary executive memberships.

It includes the partner of a brokerage house; three medical men; farm implement dealer; garage proprietor; insurance agent; retired farmer; oil operator; commercial printer; cartage company official; oil company executive; insurance manager; real estate agent and an electrician.

So far everything concerned with the League has been voluntary—even the nominal fee required to become an associate member.

Abandon Lebel Oro Option

From Our Own Correspondent

MONTREAL.—Lebel Oro Mines has notified the Montreal Curb Market that the option on 100,000 shares at 25 cents a share was not exercised and that the board has intimated its disinclination to extend it. A total of 318,500 shares now remain under option at 15 cents a share.

REVIEW OF BUSINESS CONDITIONS BY PRESIDENT AND GENERAL MANAGER

AT 62nd ANNUAL MEETING OF IMPERIAL BANK OF CANADA

"Look to the Future with Confidence and Optimism"

The Annual Meeting of Shareholders was held at the Head Office, Toronto, on November 25th. The Chair was taken at noon by Mr. Frank A. Rolph, President, who said in part:

PRESIDENT'S ADDRESS.

It affords me much pleasure to move the adoption of the Annual Report. It is a gratifying one to the Directors, and I am sure will be so to all Shareholders. The total assets are the second largest in any Annual Statement since the inception of the Bank—the largest being in 1929. After making full provision for bad and doubtful debts, the profits for the year have enabled us to pay the usual Dividends, write a substantial amount off Bank Premises Account and carry forward at credit of Profit and Loss Account a somewhat larger sum than was carried forward last year.

Changes of importance in the Statement will be dealt with by the General Manager, but there is one feature to which I would like to refer, namely, the Officers' and Employees' Pension Fund.

PENSION FUND.

Last year I mentioned that owing to the increase in the number of staff it would be necessary to increase the Bank's annual contribution to this Fund. Exercising the authority already given to them in the By-Law creating the Pension Fund, your Directors decided to increase the contribution from $40,000.00 per annum to $75,000.00 per annum, and this has been done. This larger amount is in line with the amounts contributed by other Banks of similar size to our own, and the contribution is one which, I am sure, will meet with your hearty support. Your confirmation of this is asked for with your adoption of the Report.

GENERAL AND STEADY IMPROVEMENT.

The satisfactory results shown in the Report have been brought about by a general and steady improvement in business, in which the Bank has done its part and has shared accordingly. Evidences of this improvement are to be seen in increased prices for agricultural products, greater employment at better wages, more demand for electric energy, a decided improvement in the pulp and paper industry with prospects of continued improvement, greater production in the heavy industries with manufacturers, including flour millers and merchants generally, sharing in this increased prosperity at generally better prices. Building and construction industries are still lagging, but, as usual, they are the last to benefit by improving conditions. However, they are now better and the prospects for the future are encouraging.

CROP RETURNS.

Owing to drought, early crops, particularly in certain parts of Ontario and the southern parts of the Prairie Provinces, suffered, but later crops were more bountiful. In many sections of the West the wheat crop, while short in quantity, was excellent in quality, and with the largely increased prices ruling over a year ago has resulted in more money in the farmers' pockets and somewhat better liquidation of debts than for several years. The reduction in the carryover of wheat to a normal amount will, I am satisfied, prove to be a wise step and make for better basic conditions. Mining continues to prosper and is a major factor in our progress. The conditions in Northern Ontario and Northern Quebec have never been better in these mining fields. Progress in mining is also being made in British Columbia. Taking the picture as a whole, it is distinctly encouraging, and business conditions in Canada are better than they have been for many years and give prospect of continuing on the upgrade.

The reports which we have received from the Managers of our Branch Offices in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec and Ontario, with a few minor local exceptions, indicate better conditions prevailing than for a number of years, and express a spirit of optimism which results fully justify.

FOREIGN TRADE.

Canada's total trade with all countries, consisting of Imports and Exports combined, for the nine months ending September 30th last, is the largest since 1930. Our total trade with the United Kingdom for the same period is the largest since 1928, and with the United States the largest since 1930. Since the recent Reciprocal Agreement was reached with the United States there has been a very considerable increase in both Imports and Exports with our friends to the South. Canada's business with European and other Foreign countries, outside of the United States, is likely to be slow in developing until the political situation is more settled. At present, it would seem wise to go slowly in developing Foreign trade outside of the British Empire and the United States, until such time as it would appear to be safe to do so, at least safer than at the present time. These subjects, however, are being dealt with in the daily press and further comment from me would not be of any particular value.

PUBLIC EXPENDITURE.

The total amount of public debt, which is still increasing, continues to cause anxiety, but here again there is evidence of improvement with real effort on the part of most governing bodies to balance their budgets with, in some cases, a considerable measure of success. Until this is wholly accomplished it will necessarily retard general progress and we cannot take full advantage of the progress we have already made. Reduction in Interest rates has helped, but it is a question if this has not already gone as far as it should, and it should be borne in mind that capital or money is just as much entitled to its return as any commodity or labor, and during the depression years Capital, by its reduced Interest rates, has made its contribution in the same way as Manufacturers, Merchants and Laborers have done, and in this way made its contribution to the general welfare. It would be better that all except absolutely unavoidable Government expenditures should cease, and that retrenchment and lower taxes, so far as Governments, Dominion, Provincial and Municipal are concerned, should be the order of the day, and that private capital, of which there is ample available and ready to go to work, which it would undoubtedly do if assured of a fair reward unhampered by unnecessary Government control, vexatious taxation and harassing legislation, should be encouraged to flow freely. Your Bank is prepared to do its part.

FAIR DEALING NECESSARY.

The scaling down of debts is at present occupying the minds of many persons. A great deal has already been accomplished along these lines and a great deal still remains to be done, but it should not be overlooked that the creditor class as a general rule is willing to make generous settlements with debtors who, through force of circumstances, and through no fault of their own, are unable to meet their obligations with the honor they would ordinarily do. This, however, is a matter for private negotiation between the debtor and creditor concerned according to the circumstances of each particular case and any general reduction of debt, whether of principal or interest, and any wholesale repudiation of obligations honourably incurred is entirely wrong, wholly unnecessary and takes no cognizance either of the debtor's ability to pay or the circumstances of the creditor. It should also be kept in mind that money loaned by institutions like Banks, Life Insurance Companies and others, represents the savings of hundreds of thousands of the best and thriftiest of our citizens, the majority of them being people in very moderate circumstances, and any interference with the savings of these people might result in even greater hardship to them than benefit to those whom it is designed to help. Legislation should not be encouraged which permits individuals and communities to avoid their just debts when they are able to pay, and when by not doing so they impose hardships on others, which is very unfair and in my opinion dishonest.

WORLD AFFAIRS.

Foreign affairs continue in a state of unsettlement and foreign trade uncertain. Great good has resulted from the Ottawa Trade Agreement with Great Britain, and something has been accomplished in the removal of trade barriers, the reduction of tariffs and the efforts to stabilize currencies and exchange. Nations are at last realizing the necessity for stable conditions and for mutual confidence and trust if international trade and amity are to be restored to their former heights. Let us hope these efforts will be continued and will succeed. There is no surer way of bringing peace and prosperity to the world.

NEW HEAD OFFICE.

Since we met a year ago the Head Office of the Bank has been moved to the site it now occupies at the corner of King and Bay Streets, Toronto, the change-over having been made in January last. We are now comfortably settled and have been highly complimented on the handsome appearance and general usefulness of both premises and equipment. The Bank has already benefited greatly from the change and never stood higher in public esteem. As ever, we stand ready to serve the needs of our patrons and to take our full share in the building-up of our great Dominion.

In conclusion may I again pay tribute to the loyalty and efficiency of the staff without whose united efforts the results for the year just presented to you would not have been possible. On your behalf, as well as my own, I express to them our appreciation and thanks.

MR. A. E. PHIPPS

General Manager.

You will note that the Profit & Loss Statement this year is in a different form, a change having been made by request for the sake of uniformity. Last year the profits were $1,208,079.49. This year the amount shown is $962,813.37, the reason of course being that this year the amount is net after deductions for Pension Fund, taxes, etc., to the extent of some $350,000. Had the account been made up in the same form as in 1935 the comparable figure to the $1,208,079 would be $1,240,256, or an increase of $32,176. Out of the earnings have been paid the usual dividend of 10 per cent., taking $700,000; $250,000 has been written off Bank Premises Account and $12,813 has been carried forward, leaving a surplus to be carried forward $620,055 compared with $607,242 a year ago. We consider the result satisfactory and trust that it will appear satisfactory to you.

NOTE CIRCULATION DOWN.

Turning to the Balance Sheet and taking the liabilities first in the order they appear. Our Notes in Circulation are $6,110,665, a decrease of $579,000. The authorized amount of our circulation was cut down on 1st January last by 5 per cent, and as the penalties for excess circulation are severe we have to keep well within the authorized limit of $6,650,000. We would have no difficulty in expanding our circulation very considerably were it lawful to do so.

DEPOSITS INCREASE.

The deposits total $124,616,919 compared with $114,674,601 a year ago, an increase in round figures of ten million dollars. From 1934 to 1935 there was an increase of seven million dollars in the deposits so that in two years there has been an increase of over seventeen millions. The deposits are at an all time high level for the Bank, the previous high level having been in 1929, when the figure was $122,900,000. During the year all the Chartered Banks ceased paying interest on Current Account deposits, and as a result the Bank's deposits not bearing interest increased by ten millions compared with last year, and the deposits bearing interest show a moderate decrease of two millions. What this means is that while ten millions of our formerly interest bearing deposits moved to the non-interest bearing class eight millions of new interest bearing deposits were secured during the year.

The Balances Due to Agents in Canada and Abroad are $3,152,236, bringing the total liabilities to the public up to $133,879,821, compared with $125,070,685 last year.

CASH HOLDINGS.

Turning to the assets, our cash holdings a year ago were $21,774,227. This year they are $20,818,869, in addition to which we held among our securities $2,500,000 of Dominion of Canada Treasury Bills instantly available, making our cash position $23,318,869, or 17.4 per cent. of liabilities to the public, the same as last year.

Including the Treasury Bills we held on 31st October $47,495,334 of Dominion and Provincial direct and guaranteed securities, of which $9,424,887 mature within two years. The total compares with 29 millions a year ago, and 23 millions in 1934.

SECURITY HOLDINGS INCREASE.

The Municipal securities not exceeding market value and other bonds, debentures and stocks totalled $4,093,515, making a grand total of investments in securities of $51,588,850 compared with 34 millions last year. Owing to the continued lack of demand for commercial loans, the only safe outlet for investment of additional deposits received and funds returned from loans no longer required has been the purchase of Government and Municipal securities. This is the explanation for the very substantial increase which is common I think to all the Banks in Canada.

Our Call Loans, $7,774,150, are up $2,000,000, a satisfactory feature, the loans being of an extremely liquid nature and the security ample.

The loans to Provincial Governments, $5,700,000, are unchanged, and our Municipal loans, $6,566,144, are about $900,000 up.

Adding together the cash holdings of $20,818,869, the Securities, $51,588,850, and the quickly realizable loans, $20,040,353, we get a total of $92,448,072 cash and readily realizable assets equal to 69.05 per cent. of our liabilities to the public.

CURRENT LOANS DOWN.

As indicated the great change in our loaning position is a decrease in our Current Loans from 60 millions a year ago to just over 50 millions this year. There has been a very general decrease in commercial loans in Canada largely on account of the liquidation of the large wheat carryover in Western Canada, the Bank having a substantial share of that business. According to the Government Return for September, the last Return available, the Current loans in Canada of all the Chartered Banks decreased during the year from 839 millions to 687 millions, or 152 millions of dollars. It would appear that the shrinkage in our loans has been no greater than the average. Since the beginning of July the current loans of the Chartered Banks have been gradually increasing, and we hope that the low level has been passed.

Bank Premises account remains at $6,000,000. The moderate amount of assets under other headings remain at approximately the same figures.

Altogether, we consider the statement indicates increased business and somewhat greater liquidity.

BRANCHES.

The Branches of the Bank now total 194. During the year Sub Branches were opened at Pickle Crow and Beardmore, in the mining section of Northwestern Ontario, and we closed the Branch at Caledonia, Ont., and two sub-offices, one at Queenston, Ont., and the other at Ramore, in Northern Ontario.

SHAREHOLDERS.

The shareholders of the Bank now total 2,631, compared with 2,610 a year ago. The shares held by residents of the United States number 7,703, divided amongst 324 shareholders, compared with 8,845 and 330 shareholders last year.

STAFF.

The staff of the Bank now totals 1,367, compared with 1,329 a year ago. I associate myself with what the President has said, and want to thank every member of the staff, from the highest to the lowest. I am sure that to their wholehearted and loyal support the satisfactory results laid before you to-day can be largely attributed.

NEW BUILDING.

The President has referred to the new building, and all I will add is that it was completed practically within the estimates, and that since moving into it we have not found it necessary to make any alterations or improvements whatever. The building is both comfortable and convenient, and you can be the best judges of the appearance and appointments. Those of you who have not been over the building will have an opportunity of doing so at the close of this Meeting.

GENERAL BANKING SITUATION.

For the year ended 30th September (last figures available) the total deposits of all the Canadian Chartered Banks increased $167,000,000, of which $57,000,000 was in the Savings Department. The aggregate of all bank deposits on that date was $2,263,000,000. This sum, together with the $116,000,000 in Chartered Bank notes in circulation, and an undetermined amount of Bank of Canada notes in circulation, probably give us a total of $2,500,000,000 as the available banking funds in Canada. On the same date the total of current loans in Canada, including loans to Provincial Governments and to Cities, Towns, and Municipalities, was $820,000,000. These figures, if they mean anything, indicate that there is no lack of funds for commercial or other credits in accordance with sound banking practice. The Banks are in a strong position should a general revival of business take place to furnish all the credit that responsible customers can legitimately use, and I can assure you that if the current loans are not expanding as fast as some public men would like it is not for lack of funds, but rather from lack of borrowers. The Canadian Banks are ready and willing to assist recovery in a generous way.

PRIMARY PRODUCTION GROWING.

The President has dealt with the improved condition of business, and I agree with all that he has said. At the same time it has occurred to me that a few figures or statistics in support of his remarks might prove interesting. From the most trustworthy sources available I learn that the estimate of primary production for Canada in 1936 in dollar values is approximately as follows:—

Agriculture	$800,000,000
Forestry	250,000,000
Fisheries	40,000,000
Trapping	8,500,000
Mining	370,000,000
Electric Power	175,000,000
Total	$1,643,500,000
Increase over 1935	$243,000,000

The figures regarding agriculture are by no means complete, and the amount of $800,000,000 is a rough estimate. Included in the figure is grain production for all of Canada with an estimated value of $424,000,000.

The forestry figure includes lumber exports for eight months 1,046,000,000 feet, of which 830,000,000 is from British Columbia, as compared with 606,000,000 feet from that Province for the entire year 1935. The forestry figure also includes newsprint production for eight months 2,034,000 tons, which I understand is a record for all time.

Fisheries production estimated at $40,000,000 is also a high point. Aided by the best run of salmon on the Pacific Coast since 1930, the value of the catch for the Province of British Columbia alone is estimated at 15½ million dollars.

The value of mining products estimated at $370,000,000 also indicates a new high. In the past year mining progress in Canada has been more widespread than formerly, for not only have many new gold properties reached the stage of production but there has been a marked recovery in coal and asbestos while the production capacity of copper and nickel have increased enormously. It is to be noted that the figure of $370,000,000 means that Canadian income is receiving $1,000,000 a day from this important industry. There is no reason why we should not expect steady and continual growth in our production of minerals.

CONFIDENCE AND OPTIMISM

It is evident now that the bottom of the depression was reached in 1931, and each year since then I have closed my remarks by pointing out that business was improving towards what, for want of a better expression, might be called normal. There is no doubt in my mind that the improvement in 1936 has been greater than ever, and I look forward to the future with confidence and optimism. It is not too much to hope that if and when we meet again next year it will not be necessary to allude to the depression which may be considered something behind in the past.

Directors were re-elected as follows: Frank A. Rolph, Lieut.-Col. J. F. Michie, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway, A. E. Phipps, Henry E. Sellers, Winnipeg, George H. Aikens, K.C., Winnipeg, R. O. McCulloch, Galt, and W. B. Woods. Subsequently a meeting of Directors re-elected Frank A. Rolph, President; Col. J. F. Michie and Mr. R. S. Waldie, Vice-Presidents.

Wheat Pools Press Agitation For Monopolistic Selling

Indications are not wanting that the "pools" and affiliated interests are going to use the coming wheat enquiry as a medium for pressing for a revival of a monopolistic system of selling. Elimination of the Winnipeg Grain Exchange is definitely sought with its place taken either by a growers pool or a Government Wheat Board with powers to accept all of the crop regardless of price.

The ground is being prepared for such a move, it is believed, by such gloomy predictions as that of Andrew Cairns, at one time associated with the Canadian Wheat Pools.

Speak Through New Voice

To Pool agitation for elimination of the Grain Exchange has been added the voice of the recently formed Western Conference of the Canadian Chamber of Agriculture, an organization which claims wide farm affiliations but whose actual support must still be regarded as dubious.

At the Chamber's first annual meeting in Toronto this week, George Robertson, secretary of the Saskatchewan Wheat Pool and representative from Saskatchewan at the Western Conference, asked that "the Government put into force the Canadian Grain Board Act, through which the Wheat Board was established. The act was passed, but it is not functioning," he said, "because the Government laid down in August the restriction that the Wheat Board will not take deliveries from the farmers unless and until the price of wheat falls below 90 cents.

"We ask that the Wheat Board be continued in operation as a method of selling wheat because we have no faith in the speculative method. We believe also that there should be producer representation on that board, either actually on the board or in an advisory capacity."

Report Activity In M. & O. Paper

Trustees Show Operating Profit But Charges Result in Loss

Trustees for Minnesota and Ontario Paper Co., in bankruptcy, report an operating profit of $551,391 and net income of $632,471 for the period from Jan. 5 to Sept. 13, 1936, but calculate a loss of over $2.1 millions after charging depletion, depreciation, interest and similar items. Earnings for the period amounted to .37 times interest charges before allowing depletion and depreciation.

Active demand for the company's products has continued, except for lumber where operations have continued at about normal. Deliveries under existing newsprint contracts are described as unusually high. A number of newsprint contracts which expire at the end of 1936 have been renewed and steps are being taken to look after others.

Demand for "insulite" has continued to increase. The third machine, which has been idle for several years, is being repaired and put in condition for operation.

Reorganization Hopes

Representatives of creditor groups, including bondholders, have advised the trustees that active consideration of reorganization plans for the company is under way. Efforts are being made to have the courts pass upon the various claims against the bankrupt estate as a step to clear the way for reorganization.

Working capital as at Sept. 13, 1936, is shown at $3,789,007, compared with $3,563,303 at Dec. 31, 1935. The slight increase in working capital is due largely to the fact that items charged against income which result in the net loss do not represent actual cash outlays by the company.

Report of income appears on page 18.

Fairchild Aircraft Offers 30,000 Shs.

From Our Own Correspondent

MONTREAL.—Aldred & Co. and Collier, Norris and Henderson are making a joint offering of 30,000 shares of Fairchild Aircraft Ltd. at $6 a share.

This company was organized in 1929 to manufacture Fairchild airplanes in Canada and to carry on the business formerly conducted in Canada by Fairchild Aviation Corp. of New York. In 1930 the company completed construction of a factory, flying field and seaplane base at Longueuil, Que.

Since 1932 there has been a steady improvement in sales.

Dividends Declared

	This payment	Date payable	Date of record
Andian National..	$1+$1	Dec. 1	Nov. 20
Anglo-Huronian ..	20c	Dec. 1	Nov. 19
Anglo-Can. Tel., A	12½c	Dec. 1	Nov. 14
Acadia Sugar ....c.	†10c	Dec. 1	Nov. 14
Agnew Surpass..pf.	$1.75	Jan. 2	Dec. 15
Assoc. Brew. c.	25c	Dec. 15	Dec. 1
Assoc. Tel. & T. pf.	24c	Dec. 15	Nov. 27
Bk. of N. Scotia ..	$3	Jan. 2	Dec. 16
Bk. of Commerce ..	$2	Dec. 1	Oct. 31
Bk. of Montreal ..	$2	Dec. 1	Oct. 31
Bk. of Toronto ...	$2.50	Dec. 1	Nov. 14
Belding Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Borden Co., c.	40c	Dec. 1	Nov. 14
Bk. of Canada	$1.13	Jan. 2	Nov. 30
Bk. Can. Nationale	$2	Dec. 1	Nov. 14
Biltmore Hats, pf. .	$1.75	Dec. 15	Nov. 15
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Bulolo Gold	‡1.40	Dec. 10	Nov. 19
Can. Wire & Cable pfd.	*2.75	Dec. 23	Dec. 1
Can. Vinegars	30c	Dec. 1	Nov. 14
Can. Canners, 1st p.	$1.50	Jan. 2	Dec. 15
Can. Int. Inv. Tr., p.	$2.50	Dec. 1	Nov. 16
Corr. P. Box, pf. .	$1.75	Dec. 1	Nov. 17
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 31
Confed. Life	$1	Dec. 31	Dec. 25
Catelli Food	†25c	Nov. 30	Nov. 17
Do., pref.	37c	Nov. 30	Nov. 17
Cons. Bakeries, ord.	20c	Jan. 2	Dec. 15
Do., extra	20c	Jan. 2	Dec. 15
Cons. Div. Std Sec. p.	37½c	Dec. 15	Dec. 1
Corp. Investors...	5½c	Nov. 15	Oct. 30
Can. Bread, 1st pf.	$1.25	Jan. 2	Dec. 14
Do., B pfd.	62½c	Jan. 2	Dec. 15
Can. Perman. Mtge.	$2	Jan. 2	Dec. 15
Can. Investors	10c	Nov. 2	Oct. 19
Can. W. Nat. Gas...	$1	Dec. 1	Nov. 30
Do., pref.	$1.50	Dec. 1	Nov. 15
Dom. Textile	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 15
Ford Motor	25c	Dec. 16	Nov. 28
Gurd, Chas., c.	20c	Dec. 15	Dec. 1
Dom. Bank	$2.50	Jan. 2	Dec. 19
Electrolux	40+30c	Dec. 15	Nov. 14
Hollinger Gold ..	5c+5c	Dec. 1	Nov. 16
Ham. Un. Theat. pf.	$1.25	Dec. 31	Nov. 30
Inter. C. Baking....	$1	Dec. 10	Dec. 1
Island Mtn. Mines	5c	Dec. 15	Nov. 27
Int. Nickel, c.	40c	Dec. 31	Dec. 1
Imperial Oil ..	25+37½c	Dec. 1	Nov. 13
Inter. Pete.	75+50c	Dec. 1	Nov. 20
Kirkland Lake	3c	Dec. 1	Nov. 12
Lava Cap. M........	2c	Dec. 21	Dec. 10
Lake Shore M. ...	$1+$1	Dec. 15	Dec. 1
Lake of Woods, pf.	$1.75	Dec. 1	Nov. 14
Do., arrears	$14	Dec. 1	Nov. 14
Loblaw Groc., A & B	25c	Dec. 1	Nov. 12
Laura Secord	75c	Dec. 1	Nov. 14
Louisiana Land	10c	Dec. 15	Dec. 1
Do., extra	10c	Dec. 15	Dec. 1
Monarch Knit. pf...	$1.75	Jan. 2	Dec. 14
Mtl. Loan & M.......	50c	Dec. 15	Nov. 30
N. Method Ldy. pf.	$1.62½	Dec. 1	Nov. 23
McKenzie R. Lake	3c	Dec. 15	Nov. 30
Do., extra	†1c	Dec. 15	Nov. 30
McColl-Fron., c. ..	20c	Dec. 15	Nov. 14
McKinley Mines ..	2½c	Dec. 1	Nov. 19
McIntyre Porc. ..	50c	Dec. 1	Nov. 2
Montreal C'tons, pf.	$1.75	Dec. 15	Nov. 30
Melchers, A	50c	Dec. 15	Dec. 1
National Biscuit ..	40c	Dec. 15	Nov. 13
Do., pref.	$1.75	Nov. 30	Nov. 13
Nat. Grocers, pf. .	$1.75	Jan. 1	Dec. 15
Nor. Can. Mining .	2c	Dec. 1	Nov. 20
Noranda Mines ...	$1.75	Dec. 22	Dec. 1
Neon Prod. of W. Can., com.	25c	Dec. 20	Dec. 7
N.S. L. & Pr., pf. .	$1.50	Dec. 1	Nov. 14
Ont. Silknit, pf....	$1.75	Dec. 15	Dec. 1
Pioneer Gold	20c	Jan. 2	Dec. 1
Prov. Bank	$1.50	Dec. 1	Nov. 15
Ogilvie Flour, pf. .	$1.75	Dec. 1	Nov. 20
Reno Gold	3c	Jan. 2	Dec. 10
Royalite Oil	50c	Dec. 1	Nov. 13
Do., extra	25c	Dec. 1	Nov. 13
Rolland Paper, pf.	$1.50	Dec. 1	Nov. 14
Royal Bank	$2	Dec. 1	Oct. 31
South. Amer. Gold	10c	Dec. 10	Nov. 25
Sylvanite Gold	5c	Dec. 31	Nov. 16
Siscoe Gold	5c	Dec. 15	Nov. 30
Std. Steel, pf.	*75c	Jan. 1	Dec. 15
Do., extra	*75c	Jan. 1	Dec. 15
Sudbury Basin	†10c	Jan. 2	Dec. 10
Sunshine Mining ...	75c	Dec. 15	Dec. 1
Union Gas	12½c	Dec. 15	Nov. 23
Tamblyn, c.	†20c	Jan. 1, '37	......
Wr.-Hargreaves	10c	Jan. 2	Dec. 14
Do., extra	5c	Jan. 2	Dec. 14
Do., interim	10c	Feb. 1	Jan. 6
Ventures	2½+2½c	Jan. 2	Dec. 15
Walker, H.	50c	Dec. 15	Nov. 20
Do., pref.	25c	Dec. 15	Nov. 20

†Initial. *On arrears. ‡Interim.

"In the Dough"

Canada Bread Paying Full $2.50 On B Preferred

Class B preferred shares of Canada Bread Co., Toronto, are placed on the full cumulative dividend rate of $2.50 a share annually by declaration of a quarterly payment of 62½ cents a share payable Jan. 2 to stockholders of record Dec. 15. The regular quarterly payment of $1.25 a share has also been declared on the first preferred stock.

The class B preferred shares have par value of $50 each, carry cumulative 5% dividends, and are redeemable at $100 a share. In addition, the class B stock participates in additional dividends with the common shares. Arrears of $2.62½ a share are payable on the B stock, however, before the common can receive any dividends.

Participation Feature

The common stock is entitled to payment of 10 cents a share before the participation of class B preferred stock commences. After payments of 10 cents a share on the common, the B preferred gets eight cents a share for each one cent paid on the common. This means an equal amount in money since there are only 25,000 B preferred shares compared with 200,000 common shares outstanding.

Last year's earnings amounted to $2.87 a share on the B preferred and 15 cents a share on the common, taking the participation feature into consideration in the calculation. This year's results are understood to be showing improvement over those for the year ended June 30, 1936. This is reflected in the initial payment of 50 cents a share on the B preferred on Oct. 1 and the increase to 62½ cents a share on Jan. 2.

Arrears Possibilities

The next step toward recovery for investors in the B preferred would be payments on account of arrears of dividends. Provided earnings continue to improve, this may become possible in 1937.

The class B preferred shares formerly had par value of $100 each, and, like the first preferred, carried non-cumulative dividends of $7 a share annually. By reorganization in 1935, the dividend on the A preferred was made cumulative at 5% up to July 1, 1941, and at 6% thereafter. The par value of the B preferred was reduced to $50 and the present cumulative dividend of $2.50 a share established.

Par Plus Bank Interest St. James Court Bonds

Through the National Trust Co. trustee, bondholders of St. James Court, Ltd., St. Clair Ave., Toronto apartment house, are being offered par, plus bank interest, or about 103 in full settlement. The bonds have been in default of principal since Jan. 30, 1935. On that date of the original offering of $250,000 6½% first mortgage bonds, approximately $176,000 fell due. The Financial Post understands most of these bonds have already been bought in by equity holders and the offer holds good for the remainder.

During the year the bonds have been quoted as low as 65 bid.

It is understood that all due taxes have been paid and current income after taxes and operating costs but before depreciation is equivalent to about two-thirds of the bond interest. Equity holders, probably through a loan are financing the present arrangement and when completed will apparently take over the property.

Business Gains During October

With perhaps the single exception of automobile production figures, October returns from Canadian business showed remarkable gains. The Financial Post business index spurted ahead three points to 116.7—the highest point since spring of 1930.

For complete information see page 7.

	October	—Change— From prev. period %	From prev. year %
Monthly:			
Bldg. permits ...	$4,120,416	+13	+2
Auto. financing:			
Used cars	$1,703,273	—8	+34
New cars	$1,519,272	—19	+36
Total exports	$113,002,780	+26	+23
Total imports	$65,186,563	+23	+23
Pig iron prod., tons	70,051	+35	+53
Steel ingot prod., tons	98,330	+14	+3
Auto. production:			
Passenger cars.	4,392	+85	—35
Trucks & buses	789	—64	—35
Weekly:			
Car loadings, No.	53,606	—5	+10

Credit Essential To Western Canada

Winnipeg Board of Trade Deplores Repudiation Policies

Claiming that confidence is the basis of all business and social life, and that Canada's credit is vital to her future, the Winnipeg Board of Trade in a report on contracts and credits, deplores compulsory debt adjustment proposals in Western Canada and elsewhere.

Pointing out that the compulsory debt adjustment methods of Alberta seriously affect business in western Canada, the Board of Trade has adopted a resolution calling upon its members to take every means within their power to impress upon the people of western Canada and their Governments the necessity of avoidance of measures that dispel confidence in contractual relations, undermine integrity and result in the destruction of credit.

It was further resolved that the Board of Trade should urge upon the Federal Government the seriousness of present tendencies in relation to contracts and credit and the grave consequences to the best interests of Canada which must result from their continuance.

Credit Necessary

In adopting the resolution it was pointed out that the growth of western Canada has depended heavily on economic and financial support from other areas. In the past this support has been given freely because confidence in the West was unquestioned. If attempts to deal compulsory with debt problems continue, however, there will be a further restriction in the credit and ability to borrow of the West and this will inevitably retard further development and growth. The Board of Trade is convinced, it was stated, that business can be conducted continuously only on a basis of integrity and confidence.

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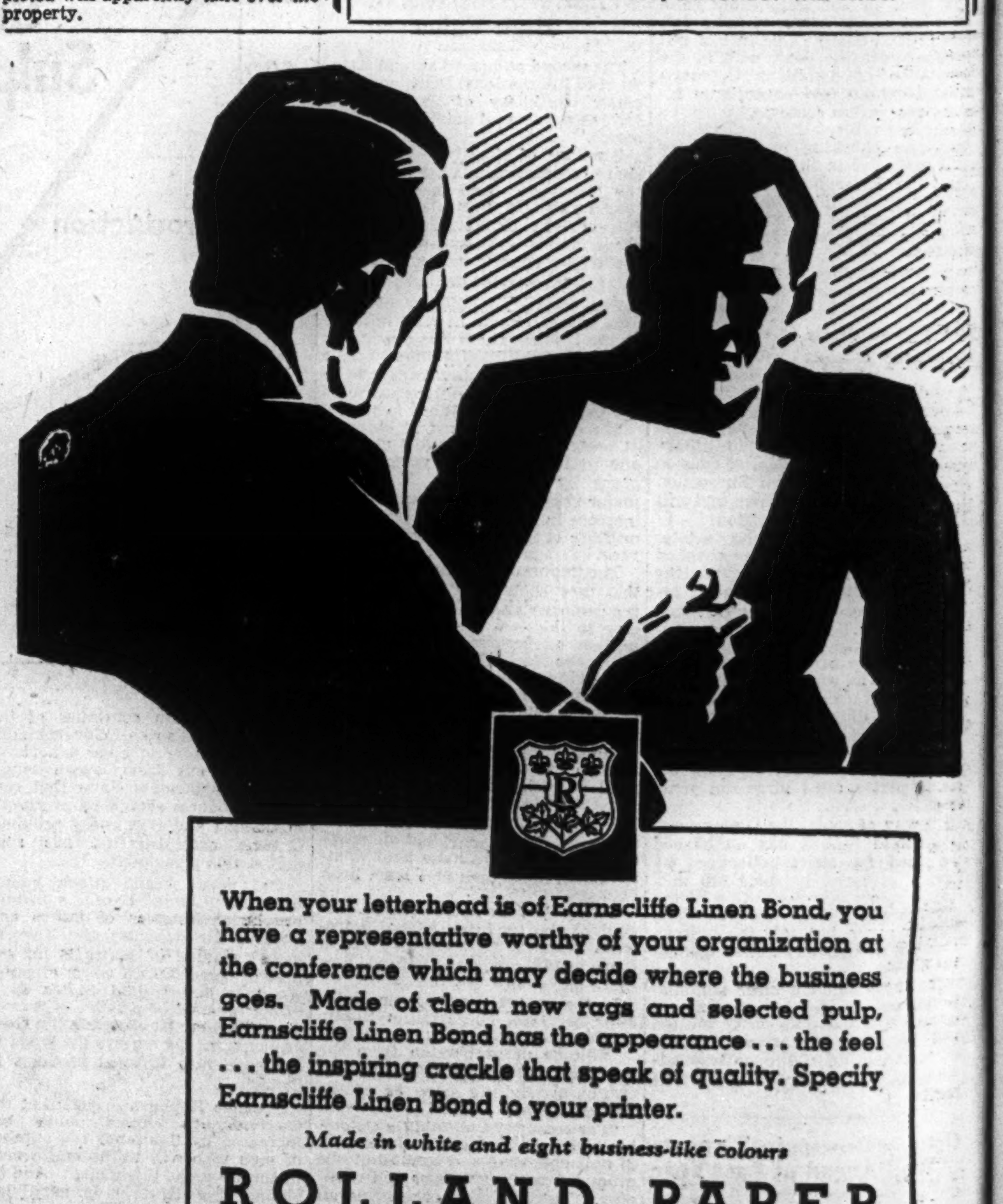

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In The Construction World

Some Improvements Can Start at Once

CONSTRUCTION and equipment interests which decide that there is not going to be any business through Home Improvement Plan loans until next spring are losing an opportunity. Both the experience with similar loans in the United States and the general opinion of branch bankers who have been negotiating these new loans in Canada for nearly a month, does indicate that the flood of business cannot be expected before spring. But in some lines, especially those concerning interior work, there is no reason why the improvement planned cannot be carried out as well today as next spring.

Moreover, some of this interior work, particularly that pertaining to insulation and the creation of new rooms in basement or attic, is particularly timely. The average person is more inclined to buy when he can see immediate use for his purchase, and in the case of both examples mentioned there is prospect of very immediate use. With fuel bills mounting as the mercury drops, anything that will keep him warmer at less cost is going to interest the home owner. Again, as darkness and unfavorable weather steadily cut down on the amount of leisure time he spends out of doors, the space problem inside becomes more acute. A rumpus room for himself or the children may not have much appeal in June, but it certainly has in the winter months.

* * *

Must Organize For Spring Selling

NOT only is there considerable immediate potential work if the new loan plan proves the success anticipated, but in respect to the later jobs, early selling would seem to be highly advisable. In many of the improvements contemplated, almost major operations are contemplated.

There are thousands of perfectly sound, old houses in this country, standing in favorable locations, that would merit an expenditure up to the $2,000 maximum loan to bring them into modern condition. To insulate, install new floors, new heating and plumbing equipment, and completely decorate such properties might easily involve an expenditure of this amount.

But jobs of this kind are not going to come automatically with the advent of spring weather. Plans must be outlined, maturely considered and finally sold. The four months preceding spring may well be occupied in soliciting and lining up construction and equipment business of this type. Surveys might be made in good districts where existing properties render salvaging profitable through modernization.

* * *

Big Field Offered in Landlord Class

ANOTHER big field, so far little considered, lies in sales to the landlord class. Under the new plan the owner of a string of houses is eligible for loans up to $2,000 on each property. Comprehensive schemes, based on surveys of all the houses owned, might be worked out. Some buildings could be changed into duplexes or small apartments. In any case most of them will need decorating.

In this special class the fact that hundreds of properties are now owned by trust and insurance companies should not be overlooked, and the possibility that such ownership holds to renovate a score or more houses in a single general contract.

* * *

$2,000 Maximum Seems Sufficient

A SPECIAL committee of the Winnipeg Board of Trade has recommended that the $2,000 limit on home modernization loans be raised. Nearly two years experience with a similar policy in the United States indicates very definitely that little extra business would be obtained by such a move. Of over $250 millions loaned on building improvement projects in that country up to the end of 1935, actually under 6% went into loans over $2,000. Over 50% of the total money loaned in that period, as a matter of fact, was for loans of $500 or less, and 25% for those ranging from $500 to $1,000.

The average value of existing residential properties in Canada must be well under $4,000 and certainly it would seem that a maximum of $2,000 for improvement on each offers ample scope. Above that figure there would be grave risk of loss.

Even were the present policy extended to include all types of commercial properties, it is doubtful if raising the maximum would be much incentive. The figures from the United States do not indicate that any considerable market could be tapped.

Spend $850 Millions On Highways in U. S.

Almost $850 millions was spent on highway construction and maintenance in United States last year, according to a survey by the Washington authorities. During the same period the direct highways income received by the various states from taxes on motor vehicles, gas, toll bridges, registration fees, etc., amounted to almost $590 millions. The difference was largely made up of federal grants.

New York with almost $55 millions led in highway expenditures with Pennsylvania in second place with approximately $46 millions. Illinois was not far behind but California with $39 millions was considerably lower down.

Home Modernization Loans To Push Winter Construction

Many Improvements Can Be Carried Out in Cold Weather

WORK INSIDE

Launching of the new low cost home improvement loans under the auspices of the National Employment Council is interpreted by many contractors as a big boost for winter construction.

Normally building falls away to uninteresting lows with the beginning of snow, except on those special jobs which must be rushed through regardless of the weather. But with the Employment Council and interested supply companies, co-operating with the banks in a big campaign for expenditures on home and farm building improvements, a new situation arises.

The big rush of construction under the new loans policy is not expected before spring but a fair proportion of the work suggested may be started at any time, because it is going to be carried out indoors.

Big Rush In Spring

Branch bankers in a recent survey by The Financial Post pointed out that the natural time to make alterations and repairs was in the spring and fall, just before the semi-annual housekeeping and to a lesser extent in the summer months.

During the first periods mentioned the home was usually upset anyway and the muss incurred in new plastering, plumbing or carpentering could be cleaned out in the general exodus of dust and smudges. Prior to these periods and during the whole of the summer, too, it was argued there would be no inconvenience in changing heating equipment. By the time the new loans policy came into general use on Nov. 1, however, most furnaces had been lighted and householders were naturally reluctant to have a major basement operation.

It was also pointed out that in regard to outside construction, such as the repair of roofs, the addition of rooms, verandahs and garages, nothing except rush work would likely be considered until the warmer weather. Exterior paint jobs, of course, would also come under this category.

But Many Winter Jobs

But while this contention of bankers will probably prove correct, and the peak of the new loans will not be made before next spring, at the same time a perusal of the kind of improvements suggested by the National Employment Commission does indicate that there is considerable work which should be carried out at any time.

Of 11 types of specific improvements suggested by the National Employment Commission in their latest booklet on the Home Improvement Plan at least the first four of these listed below might easily be carried out in the winter months, and, in some cases, almost as conveniently then as at any other time of year. Here is the list:

Indoor Work

1. Painting, paper-hanging and general redecorating, excluding such items as curtains, drapes or rugs.
2. The modernization of bathrooms, including the necessary plumbing fixtures and piping.
3. The modernization of kitchens (excluding moveable appliances).
4. The conversion of unused cellars or attics into living quarters or playrooms.

Outdoor Work

5. The addition of a room or rooms to a home.
6. The erection of a garage, either attached to the existing building or separate—but on the property.
7. The installation of air-conditioning systems.
8. The purchase of new heating systems or the modernization of existing ones.
9. The erection of fences around urban and farm dwellings.
10. Walks and driveways of permanent materials.
11. The repair or renewal of roofs, foundations, drain pipes, storm windows, shutters, balconies, etc.

Muss Is Confined

In the case of the first three items the confusion during the renovation could largely be confined to the single room being renovated. It would be almost immaterial whether such work was carried out now or six months hence. When these points are brought to the attention of the householder, the contractor desiring the job should not meet with a great deal of sales resistance.

Under item No. 4, there would also seem to be little objection. The space to be turned into living quarters is probably at present largely unused so that any muss would not be generally felt to any extent throughout the remainder of the dwelling. Now that winter is gradually forcing more people indoors, the need for the extra room in basement or attic is more urgent, and the home owner therefore is more in a mood to take advantage of any improvement.

Big Jobs In Insulation

Two important points apparently overlooked by the commission in its first booklets are insulation and improvements of farm barns and stables.

Certainly insulation must play a vital part in the improvement of most existing buildings. In a country like Canada where the mercury may touch 100 degrees in July and 25 below six months later, some protection against these variations is urgently needed. Complete installation in an old house may be fairly expensive and also entail a good deal of alterations, but a partial job, which completely insulates the roof, can be carried out cheaply, quickly and at any time.

Stables Also Eligible

Farm barns and stables were only added to the list of properties on which loans would be available, some time after the policy was first announced. Much of modernization in this field, when such does not entail outside construction, can be carried out at any time. New stalls, mangers, milking and other dairy equipment, and new barn equipment can be installed just about as easily in January as June. On the other hand, siding, roofing or outside jobs may have to wait until spring.

Many Companies Interested In Success of Home Loans

In its Home Improvement Plan, now expanded to include farm buildings, the National Employment Commission hopes that the banks will make modernization loans to the extent of $50 millions within the next year. And for every dollar borrowed it is estimated that at least another dollar and quite likely two will be spent without borrowing.

Much of this money is going into the pockets of plumbers, plasterers, carpenters and other building trades workmen, but a large portion will necessarily be expended for materials and equipment. This should mean business for many of the building materials and equipment companies.

Below are listed those companies in which there is a considerable public interest, that may be expected to increase business through any large expansion in home and farm buildings modernization.

In this list The Post has endeavored to mention those which would seem in line for most direct benefit. But there will be a great number of others. The public utility companies for instance, such as Consumers' Gas, B. C. Electric, Montreal Light, Heat and Power, will all be eligible because in addition to selling more power and gas to operate new labor-saving equipment in many cases they are also prepared to sell the equipment itself. The large department stores selling stoves, sinks and decorating would also be interested. In fact it is because construction, whether in new or old buildings, creates such a train of beneficiaries in its wake, that the National Employment Commission has turned toward this industry as a chief ally in its fight to create jobs.

Products mentioned are those eligible for installation under the new loans:

Asbestos Corp.—Insulating materials.

Beach Foundry Ltd.—Furnaces and other heating equipment.

W. D. Beath & Son—Steel tanks.

Beatty Bros.—Household equipment such as pumping systems, similar barn equipment and steel stable stalls, pens, carriers.

Brandram-Henderson Ltd.—Paints, varnishes, stains.

Brantford Roofing—Roofing and insulating materials.

Building Products Ltd.—Roofing, waterproof paints, cements.

Canada Cement Co.—Cement.

Canada Wire and Cable Co.—Electric wiring.

Canadian Fairbanks-Morse—Oil burners, electric and water systems as household units, individual small power plants.

Canadian Foundries and Forgings — Heating, air-conditioning units and hardware.

Canadian General Electric—Household equipment, individual electric plants, electric pumps, model kitchen installations, electric wiring equipment, air-conditioning units, refrigerator units.

Canadian Industries Ltd.—Paints, plastics, chemicals.

Canadian Westinghouse — Refrigerator units, other household electric equipment, electric wiring equipment.

Canadian Wallpaper Ltd.—Wallpapers.

Cockshutt Plow—Barn and stable equipment.

Cooksville Co.—Bricks, tile, hollow tile.

Dennisteel Corp.—Metal and sheet metal products and fencing.

Dominion Glass Co.—Window glass and other glass products.

Dominion Tar & Chemical—Roofing, insulating boards, stains.

Donnacona Paper Co.—Building papers and fibre board.

Eastern Steel Products — Ready-made buildings, including garages, barns, etc., sheet metal roofing, pipes, copper work.

Enamel & Heating Products—Plumbing equipment, heating equipment.

Frost Steel and Wire—Fencing, screening and specialized metal products.

Galt Brass Co.—Plumbers brass goods.

General Steel Wares Ltd.—Stove pipes, plumbing fixtures, refrigerator units, eavestroughs, heating equipment, air-conditioning.

Gordon & Belyea Ltd.—Builders' hardware.

B. Greening Wire Co.—Screening, wire, cables.

Gypsum, Lime and Alabastine—Building products, such as wall board, stucco, plaster, etc., wall paints and insulation products.

International Clay Products Ltd.—Brick, floor and wall tile.

International Metal Industries — Oil burners, refrigerator units, storage and pressure tanks.

International Nickel Co. — Building metals, sinks, water boilers, etc.

International Paints—Paints, stains, varnishes.

International Paper Co. — Insulating board, decorative building board, paper building products.

Interprovincial Brick—Brick.

Kelvinator of Canada, Ltd.—Refrigerator units.

Massey-Harris Co. — Barn and stable equipment.

Morrison Brass Corp.—Plumbing and heating equipment.

National Sewer Pipe — Vitrified clay pipes, chimney blocks, chimney flues, sewer tile.

Page-Hersey Tubes — Steel pipes and pipe fittings.

Rockwool Corp.—Insulating products.

Sherwin-Williams Co.—Paints, varnishes, stains, etc.

Standard Clay Products—Flue linings, fire-clay products, sewer pipes.

Steel Company of Canada — Builders' hardware, pipe, metal sheets, nails, screws, basic castings used in all sorts of heating and other equipment.

Western Steel Products — Sheet metal siding, roofing, eavestroughs.

Wood, Alexander & James — Building hardware.

Bonds Buying Bridges Now Building in Vancouver

From Our Own Correspondent

VANCOUVER.—Steelwork on the new $4 millions Fraser River bridge has commenced between piers 9 and 8 on the south side of the river, marking the start of the frame which will carry the main section of the bridge.

The steel girders, now being hoisted into position, will join the 200-foot gap between the two piers. Following this two similar gaps between piers 8, 7 and 6 will be spanned and the steel carried out almost to the centre of the river before a start is made on the north side of the river.

The last of the caissons to be constructed for the bridge piers has been floated down stream from Brunette Lumber Company's wharf. This caisson, 103 by 34 feet, will be sunk in the deepest part of the river.

Payment On Bonds

Nearly 600 men are now employed on the project.

The provincial Government has borrowed $2 millions so far for the bridge's construction. Two loans of $1 million were sold at par, with interest at 3½%. The Government is financing the bridge by paying the contractors, Dominion Bridge Company, in its own bonds, instead of cash.

To Build New Viaduct

Tenders will be called immediately for construction of the First Avenue viaduct, Vancouver.

The financing was arranged in Great Britain by Mayor McGeer, he told the council, and he added incidentally the trip to England had been paid out of his own pocket. The funds will be obtained from the baby bond by-law recently passed to finance the city hall, which will be completed next month.

The baby bonds will all be sold and the money will be available, Mayor McGeer told the council. "That's one of the things I arranged when I was overseas," he added.

Cost of the span proper will be about $300,000, and that of the C. N. R. ramp $150,000. Under the agreement between the city and the two railway companies the C. N. R. will pay for the ramp and the remaining $300,000 will be divided equally between the city and the Great Northern.

Now Use Sawdust For New Concrete

By substituting sawdust for aggregates, or gravel, a Polish engineer is said to have produced a new kind of concrete that has made it possible for him to introduce a change in house-building methods. It is being manufactured under the trade name of Cemunit in Poland and in England, and is being used in both those countries in the form of slabs and beams. In addition to sawdust and cement, the mix includes sand.

The material, despite the inflammable sawdust, is termed fireproof because it can withstand a temperature of 1,832 deg. Fahr.; it absorbs sound; can be sawed or turned like wood; and does not split nor crumble when nailed.

In the case of a house erected according to the inventor's plans, the weight rests on steel and timber framework, and the intervening spaces are filled in with double walls of Cemunit separated by an air space—the outer wall being approximately three inches thick and the inner one about two inches.

As the surfaces of the slabs are smooth, they can be readily plastered, painted, or papered. The wood-concrete also makes a jointless flooring, and as such, as well as beams, has been employed in the construction of the new Prudential Insurance Company building in Warsaw.

Hamilton United Theatres Declares $1.25 on Pref.

Hamilton United Theatres has declared a dividend of $1.25 a share on the preferred stock payable Dec. 31, to shareholders of record Nov. 30. The last previous payment was $1 a share on Sept. 30, 1936.

The company was paying its full 7% dividend up to last year, when the rate was cut to $1 a share quarterly or $4 per annum. Earnings in 1935 were $6.05 a share on the preferred. Arrears of preferred dividends now amount to $14.50 a share.

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New Building

B. C. Telephone Co. is constructing an addition to its Kerrisvale exchange, Vancouver.

* * *

Canadian Sumner Iron Works Ltd., Vancouver machinery manufacturers, are expanding operations in conjunction with Iron Fireman Automatic heating by supplying complete heating systems including air-conditioning. The company is also commencing production of a specially designed coal stoker furnace.

* * *

Canadian Wood Pipe and Tanks Ltd., Vancouver, has received the contract for construction of wood stave pipe for the mill of the $8.5 millions newsprint development plant at Thorold, Ont.

* * *

Colgate-Palmolive-Peet Co. Ltd. will spend about $200,000 on plant expansion in Toronto during the next year.

* * *

Eldorado Gold Mines Ltd. has installed furnace equipment at its Port Hope, Ont., refinery, and commenced production of black uranium oxide. A by-product of radium refining, the new product is to be used in the ceramics industry.

* * *

Goodyear Tire and Rubber Co. of Canada Ltd. has commenced construction of a $9,000 addition to its plant at Bowmanville, Ont.

* * *

Holdsworth Co., Ltd., Montreal, will erect a textile dyeing and cloth finishing plant in Toronto to cost approximately $75,000.

* * *

Hutchings and Patrick Ltd., stationers, are building a new $15,000 stationery plant in Ottawa.

* * *

Imperial Varnish and Color Co. Ltd. is spending about $30,000 on a new unit to enlarge its Toronto plant.

* * *

Jones Tent & Awning Ltd., Vancouver, has completed construction of its new manufacturing plant representing an investment of nearly $50,000 and the addition of about $35,000 annually to the payroll. The new plant will be capable of processing cloth at the rate of 1,200 yards an hour.

* * *

Kerr Brothers Ltd. will enlarge its Toronto plant at a cost of about $25,000 to meet requirements of expanding business operations, according to an announcement by the Toronto Industrial Commission.

* * *

Kuntz Brewery Ltd. has asked for tenders on construction of an addition to its Waterloo, Ont., brewery. A two-story, steel and brick structure, is planned according to the Daily Commercial News and Building Record.

* * *

E. Long Ltd., builders of mining machinery, Orillia, Ont., are erecting an addition to the Orillia plant.

* * *

Mortimer Co. Ltd., Ottawa, is planning erection of a $50,000 plant in the Ottawa area, to replace that acquired for the use of the Bank of Canada.

* * *

National Cellulose of Canada Ltd. and associated company, **Dominion Cellulose Ltd.** will expand operations by moving to larger space in the former Arco plant, Mt. Dennis, Toronto.

* * *

R.C.A.-Victor Co. Ltd. is building office and manufacturing additions to its factory on Lacasse Street, Montreal.

* * *

Standard Sanitary Manufacturing Co. Ltd. is making an extension to its plant at Toronto, Ont.

* * *

Sunalta Woollen Mills Syndicate, consisting of Quebec and English businessmen, has completed arrangements for establishment of a woollen mill at Silver Springs, near Bowness, Alberta. Raw Alberta wool will be processed with facilities having an annual capacity of one million pounds of wool, grease weight, into finished yarn. British machinery installation is probable.

Booklets Outline New Home Loans

Describe Set-up of Local Committees and Plan Details

First publicity regarding the Home Improvement Plan of the National Employment Commission made its appearance last week in the form of two pocket-sized booklets.

The first of these, in simple language and illustrated by charts describes the setting up of local organizations considered necessary to push the loan plan. The Windsor set-up which was the leader in this respect is taken as an example.

Under the plan a prominent local citizen, in the case of Windsor, W. R. Campbell, head of the Ford Motor Car Company of Canada, was chosen as a chairman who with the presidents of the local Trades and Labor Council and the Chamber of Commerce, a prominent publisher and a member of parliament form the local advisory committee.

Under this functions a Home Improvement Plan Committee consisting of seven members. This committee is divided into four subcommittees to direct or provide:

1. Publicity.
2. Finance.
3. Women's committee.
4. Trouble.

The second booklet briefly describes the general Home Improvement Plan, its purpose and its objects, defines clearly the regulation and projects covered under the loans and publishes a table outlining the monthly payments over various periods of representative loans.

Asbestos From Quebec

Asbestos production in Quebec during the first eight months of the year totalled 173,258 tons, an increase of 51,995 tons over the same period of 1935.

Finance Co. To Co-operate In Loan Plan

Subsidiary of Plumbing Firm Approved as Lending Institution

Heating & Plumbing Finance Ltd., subsidiary finance company operated by Standard Sanitary Manufacturing Company, Ltd., and Dominion Radiator and Boiler Company, Ltd., has been approved as a lending institution under the Home Improvement Loan plan by the Dominion Government. This financing organization will now make loans under exactly the same conditions and at the same rate as the chartered banks. Previously the company had operated on a 7% discount rate instead of the 3¼% as provided by the Government scheme. Incidentally the old rate will still be used by the company to finance such business as would not come under the home modernization scheme.

Ties Up Loan and Sales

This finance company has prepared a new application form for use of plumbers and heating salesmen soliciting business. The form is a combination of the loan application blank used by the bank and an acceptance contract.

Under the company's plan the plumber who is soliciting modernization work will simply have his customer sign both the loan application and the contract and the whole deal is completed. This will eliminate the break which occurs under the Government scheme, when, after selling the modernization idea to the customer the latter must then go to the bank to fill in the loan application form.

More Interested

To contractors, Standard Sanitary's finance company points out there are no collection fees, no down payment, the low Government interest rates will be used with three years to pay but, and this is a very important but, the contractor gets full payment promptly. After completing the works to the satisfaction of Standard Sanitary or Dominion Radiator Company the signed note is presented to the finance subsidiary and the contractor is paid immediately.

Crane Ltd., another plumbing and heating equipment company with a finance organization of its own, is understood to be also co-operating with the government plan.

The Financial Post understands that not only will several other similar finance companies with building materials or equipment firms behind them make application to Ottawa for issuing loans under the Government's modernization scheme, but that new finance companies may be formed by other firms that are interested.

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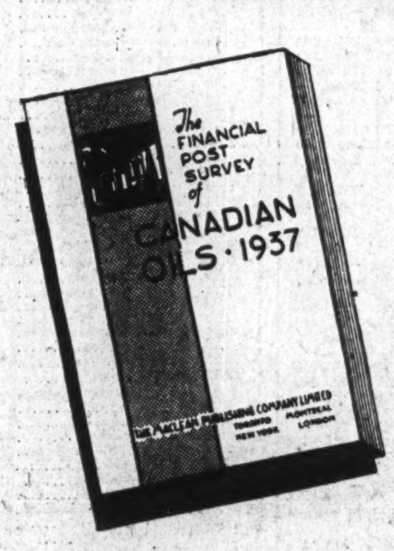
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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

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WEEK ENDING NOVEMBER 23

Range 1936 High	Low	Div R'te $	Nov21 Y'ld %		Sales	Last Nov. 16	Week end. Nov. 23 H	L	Cl'se
				A					
4.65	1.25	.	...	Abitibi	65108	3.50	4.25	3.38	3.75
28½	6½	.	...	Do. pref. 6%	9640	22¾	28½	22¼	28
23¼	6½	.	...	Do. cert. dep.	130	22	22¼	22	22¼
5	4¼	10c	...	Acadia Sugar	....	(5 bid — asked)			
21	14½	50c	2.8	Acme Glove	100	19	19	19	19
100	94	6.50	6.9	Do. pref.	....	(— bid 97 asked)			
10	7¼	40+20c	7	Agnew Surp.	130	8¼	8¼	8¼	8¼
110	100	7	6.5	Do. pref.	15	108	107	107	107
6	2	.	...	Alta. Pac. Gr.	525	3½	3	2¾	3
39	19	.	...	Do. pref.	70	26	26¾	24	24
54½	54½	.	...	Aluminium	....	(54½ Sept. 24)			
4½	2	.	...	Amal. Electric	....	(5 bid — asked)			
28	14	.	...	Do. pref.	110	20	28	25	28
40½	29¾	15c	...	Amer. Cyn. B.	....	(— bid 40 asked)			
56	51½	3.50	6.5	Ang. C. Tel. pf.	65	54	54½	54	54
78½	17½	.	...	Asbestos v. t.	6536	75	78½	74	75
15	9½	70c	...	Assoc. Brew.	2350	12	12½	11½	12½
110	103	7	6.4	Do. pref.	....	(110 bid — asked)			
8½	7½	.	...	Assoc. T. & T.	....	(8 bid 9 asked)			
57½	34	66c	...	Do. pref.	60	51	57½	57	57
				B					
60	51½	2.25	3.7	Bank of Canada	244	59	60	59	59
141½	133	8	5.7	Bk. Can. Nat.	23	141	141	141	141
217	182½	8	3.7	Bk. Montreal	350	210	217	210	215
305½	271	12	3.9	Bk. N. Scotia	127	305	305½	300	301½
252	230	10	4	Bk. Toronto	36	245	252	245	252
13½	5	75c	...	Barcelona	....	(4 bid — asked)			
17¾	10½	.	...	Bathurst Pr.	13308	16½	17½	16	16¾
8	3	.	...	Do. (B)	955	6½	8	5½	6½
4½	1	.	...	Bawlf Grain	217	2½	2½	2½	2½
38	30	.	...	Do. pref.	1	23¾	25	25	25
5	2½	.	...	Beath & Sons	80	3	4	4	4
15	9½	.	...	Beatty Bros. A.	1160	10½	13½	11	13½
107	96	6	5.8	Do. pref.	25	103½	103½	103	103
5¾	1½	.	...	Beauharnois	24167	4½	5¼	4¼	4¾
110	97½	4	4.1	Belding Cort.	....	106 bid 110 asked			
145	126½	7	5.5	Do. pref.	....	(— bid 140 asked)			
156	140	6	3.9	Bell Telephone	1627	153¾	156	153½	155½
55	30	2.25	...	Biltmore Hats	5	53	54	54	54
110	110	7	6.4	Do. pref.	....	(109 bid — asked)			
5	3	.	...	Bissell, T. E.	....	(4 bid 5 asked)			
50	33	.	...	Do. pref.	....	(35 bid 45 asked)			
5	2½	.	...	Blue Ribbon	140	3¾	4	3¾	3¾
34	27	2	6	Do. pref.	65	32	33½	33	33
28	25½	32½c	...	Brant. Cord. pf.	155	26½	26½	26½	26½
18¾	9¾	30c	...	Brazilian Tr.	44821	18	18¾	16½	16¾
1.45	.70	.	...	Brew. & Distil.	2950	.85	.85	.80	.85
4½	1¾	.	...	Brewing Corp.	2280	2¾	3¾	2½	2¾
18½	10¾	1.50	10.3	Do. pref.	1205	14	14¾	14	14½
9	5	30c	5	Bright T. G.	10	6	6	6	6
83	80	6	7.5	Do. pref.	....	(— bid 78 asked)			
27¾	16½	80c	3.4	Brit. Amer. Oil	23429	23¾	24	20½	20½
13½	6	.	...	B. C. Packers	555	12¾	12½	12	12
38½	28½	1.60	4.3	B. C. Power A.	1085	35¾	37	35	35
9	3½	.	...	Do. (B)	2154	7¾	8¾	7½	8½
16	7½	10c	...	Bruck S. Mills.	665	9	9½	8½	8¾
58	33	1.40+25c	...	Building Prod.	571	56	57	55½	56½
9¾	6½	.	...	Burry Biscuit	1005	9½	9½	9	9
75	51	3	4.2	Do. pref.	25	70	72	70	72
47¾	37½	2	4.6	Burt, F. N.	610	43	43½	43	43½
				C					
120	120	.	...	Calgary Power.	....	(120 Sept. 28)			
86½	74½	6	8	Do. pref.	9	74½	75	75	75
8	4½	.	...	Canada Bread	1299	7½	7¾	7½	6¾
104½	90	5	...	Do. pref.	10	102	104½	102	102
48	30	62½c	...	Do. pref. B.	40	48	48	48	48
10½	6½	.	...	Canada Bud	450	9½	9¾	9½	9½
14¾	6	.	...	Canada Cement	18041	13¾	14¾	12¾	13
101½	58	.	...	Do. pref.	1826	98	101½	97¾	99¾
69¾	57	1.50+1	3.7	C. & D. Sugar	1400	69¾	68½	68	68
b20½	10¾	.	...	Canada Dry	13300	18½	19	16¾	16½
20½	3	.	...	Can. Forg. (A)	890	18½	20½	19	19
14½	2	.	...	Do. (B)	20	14½	14	14	14
50	30	.	...	Canada Iron	....	(30 bid 50 asked)			
60	51	3	5.4	Do. pref.	....	(55½ bid — asked)			
37	30½	1.50	4.2	Can. Malting	1475	37	37	36	36
29	22½	1.20	4.6	Can. Nor. Pr.	1135	26	25¾	25	25
112½	107¾	7	6.4	Do. pref.	72	109	110	109½	109¾
93	80	3	3.3	Can. Packers	80	90½	90	89¾	90
118	105	.	...	Can. Paper, pf.	....	112½ bid — asked			
2½	1½	.	...	Can. Paving, pf	....	(2½ bid 6 asked)			
160	120	8	5.9	Can. Perman.	67	134	135	133	135
14	14	.	...	Can. Starch	....	(24 bid — asked)			
95	95	7	7.4	Do. pref.	....	(97½ bid — asked)			
3.25	1.00	.	...	Can. Steamsh's.	495	2.50	2.75	1.75	2.00
15½	6½	.	...	Do. pref.	787	7	6¾	6½	6½
27½	19¾	1.20	5.7	Can. Vinegars	155	20	21	20	20½
55	20½	.	...	Can. W. Cable	10	55	55	53½	55
22	9	.	...	Do. (B)	18	22	22	20	20
116	98½	2.75▲	...	Do. pref.	....	(115½ Nov. 13)			
4	2	.	...	Can. Bakeries	105	3½	4	3½	3½
61	40	.	...	Do. pref.	....	(57 bid 60½ asked)			
173¾	148	8	4.7	Can. Bk. Com.	1356	166	173½	165	173
51	31	1	2	Can. Bronze	253	51	50	50	50
116	101½	5	4.6	Do. pref.	....	107 bid 108½ asked			
9¾	4	.	...	Can. Canners	3005	8½	9¾	7	8½
105	88¾	6	5.7	Do. 1st pfd.	263	104½	104½	103	104
12½	5	.	...	Do. 2nd pfd.	5652	14½	12	11	11
19½	5½	.	...	Can. Car & F'y	81087	16	19½	16½	17½
29½	13	.	...	Do. pref.	18240	26½	29½	26¾	27
31½	25½	40c	...	Can. Celanese	1495	26¾	27½	26½	26½
130½	112	7	5.5	Do. pref.	246	127	127	126½	126½
22	18	.	...	Do. Rights	610	22	22	22	22
30	21½	2	6.7	Can. Convert.	56	27	30	27½	28
56	48	4	7.3	Can. Cottons	60	55	55	55	55
106½	97	6	5.6	Do. pref.	5	105	106½	106½	106½
50	37	2+1	6.5	Can. Dredge	1438	47	49½	45	45½
101	98¾	6	6	Can. Fairb., pf.	....	(100 bid — asked)			
34	23½	1.60	5.7	Can. For. Inv.	265	28	28½	28	28
107½	105	8	7.4	Do. pref.	....	(107 bid — asked)			
200	150	5	2.5	Can. Gen. Elec.	....	(200 bid — asked)			
10	7½	50c	...	Can. G. Inv.	....	(10 bid — asked)			
64	26	.	...	Can. Hyd. El. p	2494	63½	64	61	61
12½	6½	.	...	Can. Ind. Alc.	16800	8	8	7½	7¾
11½	5	.	...	Do. (B)	1730	7½	7¾	7	7
225	221	4.25	...	Can. Indust. B.	....	(222½ Sept. 21)			
4½	1	.	...	Can. Int. I. Tr.	355	2½	4½	4	4
85	35	2.50	...	Do. pref.	60	68	85	80	85
23	19¾	1	4.8	Can. Lt. & Pr.	250	20	21	19¾	21
8	1	.	...	Can. Locomo.	397	4	8	7	7
b3½	1½	.	...	Can. Marconi	4850	1¾	2½	1¾	2
18	12	50c	3.6	Canadian Oil	545	13	13¾	13	13
142	123	8	6.3	Do. pref.	63	126	126	126	126
15¾	10¾	.	...	Can. Pacific	21144	14½	14¾	13½	13½
2¾	½	.	...	C. Pr. & Pr. In.	1652	2½	2¾	2¾	2¾
9½	4½	.	...	Do. pref.	305	6	9½	9	9
15½	1½	.	...	Can. Vickers	4295	14	14½	12½	13
63	12	.	...	Do. pref.	468	60	63	60	60
30½	24	1.25	...	C. Wallpaper A	90	30	30½	30	30
30½	24½	1.25	...	Do. (B)	261	30	30½	30	30½
80½	79	2	2.5	Can. West'ho'se	....	(78 bid — asked)			
3¾	1	.	...	Can. Wineries	495	3	3½	3	3
26½	21	1.50	...	Can. Wire Box.	875	24¾	25	24¾	25
9	4¾	.	...	Capital Estates.	634	8½	9	8¾	8¾
103¾	100	5	4.8	Carnation, pfd.	30	103¾	103½	103½	103½
11½	2½	25c	...	Catelli Food	134	11½	11¾	9½	10
15	11½	75c	...	Do. pref.	....	(— bid 13 asked)			
165	160	8	5.3	Cent. Can. L'n.	....	148 bid 195 asked			
1.60	.75	.	...	Chem. Research	13278	1.10	1.27	1.10	1.17
3½	1	.	...	City Gas & Elec	1840	1½	3½	1½	2
.75	.15	.	...	Claude Neon	1225	.50	.50	.45	.50
15	12½	96c	...	Coast Brew.	125	13¾	14	13¾	14
10½	5½	.	...	Cockshutt Plow	13300	9½	10½	8¾	9
4.00	.60	.	...	Comm. Alcohol	9060	3.25	3.87	2.87	3.00
23	15¾	80c	3.8	Cons. Bakeries.	726	21¾	22	20¾	20¾
9¾	2	.	...	Cons. Paper	16975	7½	8½	6¾	7¾
13	5	.	...	Cons. Press	110	10	13	11	13
45	32	.	...	Cons. Sand, pf.	....	(42 bid — asked)			
80	51	50c	...	Cons. Smelters.	17395	77¾	80	75½	75¾
209	189	10	4.8	Consumers' Gas	153	209	209	207½	207½
90	78	7	8.2	Corr. P. Box, p.	10	86	86	86	86
27½	17½	80c	3.1	Cosmos Imp.	570	25	26	25	25½
106½	102	5	4.7	Do. pref.	5	106	106½	106½	106½
21½	15	80+20c	...	Crown Cork	100	19½	19½	19½	19½
2	1¾	.	...	Crown Dom. Oil	30	1¾	1¾	1¾	1¾
56	30	7	...	Crow's N. Coal.	10	50	52	52	52
				D					
4	2	.	...	David & Fre. A.	....	(2½ bid — asked)			
1.25	.50	.	...	Do. (B)	235	.85	.90	.90	.90
21	12	.	...	De Havilland	340	15	17	15	15
70	40	.	...	Do. (A)	....	(53 bid 75 asked)			
4	4	.	...	Disher Steel	....	(3 bid 3½ asked)			
11½	7½	.	...	Do. pref.	....	(12 bid 16 asked)			
34¾	18½	.	...	Distill-Seagram.	15725	27¾	28½	25	25½
222½	190	10	4.6	Dom. Bank	107	212	219	212	219
57	32	1.20	2.1	Dom. Bridge	5172	51¾	57	52½	52½
21½	14	1.50	7.2	Dom. Coal, pf.	11661	19½	21¾	19½	21
60	26½	.	...	Dom. Engineer.	556	52½	60	53	53
72	32	.	...	Dom. Foundries	....	(75 bid — asked)			
116	106	5	4.3	Dom. Glass	160	116	116	116	116
135	135	7	4.6	Do. pref.	....	140 bid 154 asked			
40	33	.	...	Dom. Oilcloth	....	(39½ bid — asked)			
100	95	7	7.3	Dom. Rubber, p.	....	(99 bid 102½ asked)			
10½	3½	.	...	Dom. St. & C.B.	48487	9	10½	8¾	9
12	8½	.	...	Dom. Stores	5465	11½	12	10½	11
15¾	4¾	.	...	Dom. Tar & Ch.	17648	13	15¾	13	15
108	57	.	...	Do. pref.	205	108	107½	105	105
79	60	5	6.7	Dom. Textile	622	75¾	76	74	74
150	143	7	4.6	Do. pref.	40	149	150	150	150
13½	4¾	.	...	Donnacona P. A.	17719	12½	13	11¾	11¾
12¾	2¾	.	...	Do. (B)	2015	11	11¾	10½	11¾
12½	4¾	.	...	Dryden Paper	5065	11	12½	11	11½
				E					
2½	1	.	...	East. Koot. Pr.	....	(— bid 2½ asked)			
18	5	.	...	Do. pref.	10	12	13	13	13
4½	1½	.	...	East. Dairies	180	3	3½	3	3
21	8½	.	...	Do. pref.	115	17	18	16½	18
20	10	1	...	East. Steel	1112	17	20	18	20
107	80	7	6.6	Do. pref.	....	106 bid 108 asked			
85	72¾	7	8.7	East. Theat., pf.	....	(— bid 80 asked)			
5¾	1½	.	...	Easy Washing	443	5	5½	5	5
30	20	1	...	Economic Inv.	10	30	30	30	30
28½	19¾	1.60+30c	...	Electrolux	940	23	23½	23	23
6	1	.	...	Enam. & Heat.	5375	4	6	4	5
7	5½	.	...	Equitable Life	....	(6 bid 7 asked)			
40	10½	.	...	Eng. Electric	260	40	39	35	35½
19½	4	.	...	Do. (B)	85	18	18½	17	17
7	7	.	...	European El. A	....	(— bid 12 asked)			
.35	.35	.	...	Do. Warrants.	....	(.15 bid — asked)			
				F					
25	18	.	...	Fam. Players	....	(21 bid 25 asked)			
20	14	.	...	Do. Vot. Tr.	100	18	18	18	18
24	13½	80+12½c	...	Fanny Farmer	10431	23¾	24	22	22
28½	18½	1	4.3	Ford Motors A.	13728	25½	25½	23	23
3.00	.65	.	...	For. Pr. Secs.	400	.90	1.00	.90	1.00
25¾	13	.	...	Foundation Co.	1315	24	24	22¾	23
28½	8	.	...	Fraser Cos.	4546	23	28½	23	27
29	8	.	...	Do. Vot. Tr.	23215	22½	29	22½	28½
60	37	6	...	Freiman, pf.	70	37½	38	37	37
6	2½	.	...	Frost Steel	125	4½	5½	5	5½
105	88	5.25	...	Do. pref.	30	100	105	102	102
				G					
9¾	3	.	...	Gen. St. Wares.	4411	8½	9	8	8
90	45	.	...	Do. pref.	405	85	85	75	75
90	64¾	2.50	2.9	Goodyear Tire.	310	87	88	84	84
60	53½	2.50	4.4	Do. pref.	116	57½	57¾	56	57½
3	1	.	...	Gt. W. Saddler.	....	(2 bid 2½ asked)			
30	13	.	...	Do. pref.	10	28¾	30	30	30
9½	5	20c	...	Gurd, Chas.	1280	9	9½	7½	7½
100	90	7	7.4	Do. pref.	....	(95 bid 100 asked)			
14¾	8½	.	...	Gypsum, Lime.	7603	13½	13¾	11¾	12
				H					
13	4	.	...	Ham. Bridge	9382	9½	13	9¾	11
65	25½	.	...	Do. pref.	1415	63	65	61½	64½
32	25½	2	6.3	Ham. Cot., pf.	20	30½	31½	30	30
3	2	.	...	Ham. U. Theat.	108	2½	2½	2	2½
70	50	5	...	Do. pref.	15	68	70	70	70
6	2½	5c	...	Harding Carpet	3710	5¾	5¾	5½	5¾
9	1½	.	...	Hillcrest Coll.	....	(5 bid — asked)			
20	15	.	...	Do. pref.	....	(7 bid — asked)			
22½	12	50c	2.4	Hinde & Dauch	2850	22½	22½	20½	20½
7	4	.	...	Holt Renfrew	....	(6½ bid — asked)			
45	30	.	...	Do. pref.	10	43	45	45	45
1.25	.40	.	...	Honey Dew	155	1.00	1.00	.95	.95
15	7	.	...	Do. pref.	....	(12¾ bid 15 asked)			
18½	9½	.	...	H. Smith Pap.	3385	16	17½	16½	17
119	88	3	...	Do. pref.	87	104	103	100½	100½
35	29	2	5.9	Humberstone S	10	34	34	32	32
19	4½	.	...	Hunts (A)	210	15	12½	12	12
20	6	.	...	Do. (B)	25	14½	12	21	12
90	70	5	6.9	Huron & E. Mt.	18	72	72	72	72
12¾	8½	.	...	Do. 20% pd.	....	10½ bid 12½ asked			
10½	6½	.	...	Hydro Electric	30	9½	8½	8½	8½
				I					
225	197½	10	4.5	Imperial Bank	91	218	225	218	225
24½	20½	50+75c	5.4	Imperial Oil	38668	23½	23¾	21	21
14½	13½	52½c	3.7	Imperial Tob.	9043	14½	14½	13¾	14
7¾	7	6%	...	Do. pref.	....	(7½ bid — asked)			
30	28	.	...	Indust. Accept.	700	28	30	28	30
40	19	2	...	Inter. City Bak.	47	36	40	38	38
48	40	4.50	...	Inter'c Coal	10	40	42	42	42
130	115	8	6.2	Do. pref.	....	(120 bid — asked)			
20	20	1c	...	Int. Coal & C.	....	(.10 bid — asked)			
b5½	2¾	.	...	Int. Hyd. E. A.	10800	4½	4½	4½	4½
16½	4	.	...	Int. Metal Ind.	1697	15½	15½	14	14
90½	30	.	...	Do. pref.	175	90	90	87	87
105¾	101	5	4.8	Int. Mill., pf.	70	105	104	103½	104
66½	43½	1.60	...	Inter. Nickel	46033	64½	66½	60¾	62
9¾	2½	.	...	Inter. Paints	375	8	7¾	7	7
29½	14¾	1.12½▲	...	Do. pref.	35	19	18½	18½	18½
b16	3½	.	...	Int. Pa. & P.A.	52000	14½	16	13¾	14¾
b6½	2½	.	...	Do. (B)	8100	6	6½	5¾	6
b3½	1¾	.	...	Do. (C)	18300	3¼	3½	3	3½
b85¾	20½	.	...	Do. pref.	63900	73¼	85¾	73¾	81½
39½	33	1.50+1	6.7	Inter. Pete.	14387	38	38½	35¾	36
6¾	3	.	...	Inter. Power	550	6	6	6	6
95	57	6	6.5	Do. pref.	141	93½	93½	91	91
15½	13	.	...	Int. St. Rly. A.	....	(— bid 13 asked)			
14½	3¾	.	...	Int. Util. (A)	210	11	11	9¾	10
2.25	.40	.	...	Do. (B)	6170	1.15	1.50	1.20	1.30
				J					
37¾	33	1.75	4.7	Jam. Pub. Ser.	235	37½	37½	37½	37½
130	123½	7	5.4	Do. pref.	....	(128 bid — asked)			
				K					
24	6¾	1.25	...	Kelvinator	1200	23	24	23	23
107	102½	7	6.6	Do. pref.	20	106½	107	107	107
				L					
38	16½	.	...	Lake of Woods.	1817	34½	35	34	34
170	123	7+14▲	4.6	Do. pref.	35	170	150	150	150
58	54	5	8.9	Landed Bank	10	56	56	56	56
17	13¾	17½c	...	Lang, J. A.	185	16	16½	15¾	16
5½	3	.	...	Langley's	95	5½	5½	5½	5½
60	35	.	...	Do. pref.	....	(55¾ bid 57 asked)			
78	64¾	3	4.3	Laura Secord	135	76½	77	70	73
8	2	.	...	Lindsay, C. W.	290	7¾	8	7½	8
70	40	.	...	Do. pref.	....	(62 bid — asked)			
23	18¾	1	4.4	Loblaw (A)	1186	22¾	23	22½	22¾
22	17½	1	4.6	Do. (B)	819	21¾	22	21¾	21½
				M					
5	2¾	.	...	MacKin. Steel.	....	(6 bid — asked)			
63	50	.	...	Do. pref.	100	50	63	60	63
27	16½	.	...	MacLaren Pr. p	4141	23½	27	23	27
1.50	.50	.	...	M. L. Gardens.	25	.75	1.50	1.50	1.50
4	2½	.	...	Do. pref.	15	2¾	2¾	2½	2½
6½	1	.	...	Maple Leaf	9116	4½	6½	4½	6½
12¾	2	.	...	Do. pref.	847	11	11½	10	11
*12¾	12	60c	...	Maritime Tel.	....	(15 bid — asked)			
15	15	70c	4.7	Do. pref.	....	(16 bid — asked)			
18	18	.	...	Marcus Loew's	....	(— bid 20 asked)			
116	111	7	6	Do. pref.	....	(115½ bid — asked)			
8	3¾	.	...	Massey-Harris	90860	7½	8	6¾	6¾
42	28	.	...	Do. pref.	10097	39¾	42	37½	37½
17¾	12½	80c	5.7	McColl Fron.	13255	14½	14¾	14	14½
105	96½	6	5.8	Do. pref.	258	102½	103	102	102
13¾	9	.	...	Melchers (A)	960	10½	11	10½	11
5¾	2¾	.	...	Do. (B)	350	4	4	4	4
20	9	.	...	Mercury Mills p	214	18½	20	17	17
48	30	1	2.2	Mitchell, J. S.	25	48	45	45	45
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
16	5½	.	...	Mitchell, Robt.	1926	14	16	14	15
5	3	.	...	Monarch, Knit.	....	(5 bid — asked)			
90	85	7	8.2	Do. pref.	....	(85 bid 88 asked)			
38	26	.	...	Montreal Cot.	35	36	38	35	35
102½	87	7	6.9	Do. pref.	15	100	102½	102	102½
2½	1½	.	...	Mont. Is. Pr.	....	(2½ bid 8 asked)			
36½	30	1.50	4.3	Mont. L. & Pr.	9976	35	35	34	34½
28¾	25	2	8	Montreal Loan.	....	(27 bid — asked)			
11½	9	.	...	Mtl. Ref. & S.P.	....	(11½ bid — asked)			
2	1½	.	...	Do. Vot. Tr.	....	(1½ bid — asked)			
60	55½	3.20	5.5	Montreal Tele.	10	57½	58	58	58
103	85	9	9.8	Montreal Trams	175	93	93	91	91
45	27½	1	2.2	Moore Corp.	1546	44½	45	44½	45
182	146	7	3.9	Do. pref. A.	138	179	180½	180	180
266	175	7	2.7	Do. pref. B.	20	265	265	265	265
1.25	.25	.	...	Muirheads	138	.75	.75	.75	.75
4½	3	.	...	Do. pref.	62	4½	4½	4½	4½
				N					
45	37	2	4.8	Nat. Breweries.	5787	41½	42	41	41
45½	39¾	1.75	3.9	Do. pref.	130	44½	44½	43½	43½
10	5	.	...	Nat. Grocers	9265	9¾	10	8½	8½
140	135	7	5.1	Do. pref.	75	137	138	137	138
22	16¾	.	...	N. Sew. Pipe A	760	21	22	21½	21½
41½	13	.	...	Nat. Steel Car.	12835	38½	41½	36¾	36¾
214	196	8	3.9	National Tr.	15	202	205	203	205
40	29	40c	...	Niag. W. Weav.	592	38	40	38	38
1.75	.90	.	...	North Star Oil.	....	1.75 bid 1.80 asked			
4.50	3.15	8¾c▲	...	Do. pref.	475	4.50	4.25	4.25	4.25
84½	61	5	5.9	N. S. L. & Pr.	....	(90 bid — asked)			
104	100¾	6	5.8	Do. pref.	....	(103 bid — asked)			
				O					
254	199¾	8	3.2	Ogilvie Flour	435	245	254	245	254
168	152	7	4.2	Do. pref.	5	165	168	168	168
119	100	6	5.7	Ontario Loan	....	105 bid 110 asked			
14½	7	.	...	Ont. Silknit	....	(4¾ bid 10 asked)			
90	75	7	8.7	Do. pref.	....	(— bid 80 asked)			
20	8	.	...	Ont. Steel	50	18	18	18	18
120	74	3.50	3	Do. pref.	45	115	120	115	120
1	1	.	...	Orange Crush n	50	1.00	1.00	1.00	1.00
5	5	.	...	Do. pref.	....	(— bid 5 asked)			
101½	88	6	6.1	Ott. L. H. & Pr.	57	99½	99	99	99
103½	101½	6.50	...	Do. pref.	65	103	103	102½	103
21	15	2	10	Ott. Traction	50	21	21	20	20
				P					
110½	78½	3	2.9	Page Hersey	865	107	109	102	102½
7½	3½	.	...	Pantepec Oil	19704	6½	7½	6¾	7
25	18	.	...	Paton Mfg.	....	(10 bid — asked)			
110	110	7	6.4	Do. pref.	....	(111 bid — asked)			
63	48	3	4.8	Penmans	210	60	63	59	59
129	118	6	4.7	Do. pref.	40	126½	129	129	129
27	21½	1	4.2	Photo Eng.	135	22½	23½	23	23½
100	82	7	7.2	Porto Rico Pr p	....	(97 bid 100 asked)			
5½	4½	.	...	Potrero Sugar	....	(4½ Nov. 12)			
19½	11¾	.	...	Power Corp.	6317	18½	19½	18	18
105½	97½	6	5.7	Do. pref.	20	105	105	105	105
3	1½	.	...	Prairie C. Oil.	55	2½	3	2½	3
38	19	1.25	...	Pressed Metals.	1400	37	37	36	36
18	2½	.	...	Price Bros.	14315	16½	18	14	16
82	22	.	...	Do. pref.	1110	76½	82	72½	78½
				Q					
24	14	1	4.5	Quebec Power.	3326	22½	22½	21	22
7	3½	.	...	Que. Telephone	....	(3½ bid — asked)			
				R					
40	40	2	5	Real Estate L'n	....	(— bid 45 asked)			
8	4½	.	...	Regent Knit.	296	7½	7½	7	7½
18½	12½	.	...	Do. pref.	30	17½	17½	17½	17½
10	4½	.	...	Reliance Grain	100	8	7½	7½	7½
24½	19½	60c●	...	Remington Rand	3725	22½	24¾	23	23
33½	28¾	2	6.2	River. S. Mills.	55	32	33	32	32
9½	4	.	...	Rogers Majest.	1970	9	9½	8½	8½
105	95½	6	5.7	Rolland P. pf.	50	104	105	104¾	105
17	15	50c	...	Root Petroleum.	....	(— bid 15¾ asked)			
201	164	8	4	Royal Bank	1951	191	201	191	200
46	30	.	...	Russell Motor	....	(45½ bid 80 asked)			
116	100	7+1▲	6.3	Do. pref.	100	111	111½	111	111½
				S					
101½	99¾	5.50	5	Saguenay Pr. p.	516	100½	100½	99¾	100½
15	6	.	...	Sarnia Br. (A)	70	12	14	13	14
9½	1½	.	...	Do. (B)	260	8	8½	8	8
29½	18¾	60c	2.2	Shawinigan Pr.	5434	27½	28	26	26
25½	16	.	...	Sher. Wms.	1355	25	25½	25	25
128	115	7	5.5	Do. pref.	....	(128 Nov. 13)			
12½	9	.	...	Simon & Son	305	10½	10½	10½	10½
101	85	7▲	...	Do. pref.	....	(85 bid — asked)			
101	70	4	4	Simpson, pfd.	1736	100	101	99½	99½
25	10	.	...	Do. (A)	40	23	23	20	20
15	4	.	...	Do. (B)	110	15	10	10	10
125	111½	6	4.9	Simpson, R., pf.	10	125	122	122	122
15	11	80c	6	S. Can. Pr.	185	14	14	13½	13¾
105½	98	6	5.7	Do. pref.	56	105	105	104½	104½
6¾	1½	.	...	St. Law. Corp.	23973	4¾	6¾	4¾	6
22	8	.	...	Do. (A)	11498	18	22	18½	20½
65	40	2+1	5.3	St. Law. Flour.	10	56	65	65	65
135	120	7	5.2	Do. pref.	....	(— bid 140 asked)			
55	20¾	.	...	St. Law. Pap. p	7245	49½	55	50	52
15	6¾	.	...	Stand. Chem.	25	14½	14½	14½	14½
8	2	.	...	Stand. Clay	....	(5 bid 8 asked)			
4.50	1.15	.	...	St. Pav. & Mat.	2410	4.00	4.00	3.50	3.50
27	12	.	...	Do. pref.	165	25	27	25	25½
45	20	75c	...	Stand. Steel, pf.	20	45	45	45	45
73¾	57	1.75‡	2.4	Steel of Can.	4066	71	73¾	70	70
64½	49½	1.75	2.7	Do. pref.	1541	63	64½	63	64½
4	2	.	...	Sterling Coal	10	3	2	2	2
2½	½	.	...	Stop & Shop	90	1½	1½	1	1
2¾	2	.	...	Supersilk H.	....	(2½ bid — asked)			
79	66	3.50	4.5	Do. pref.	....	(76 bid 80 asked)			
41	30	1	2.7	Sup. Pete. ord.	150	36½	37	37	37
45	32	1	2.2	Do. com.	....	(40 bid 48 asked)			
				T					
16½	16	20c	...	Tamblyn	2450	16	16½	16½	16½
58	53½	7	13.1	Do. pref.	....	(53½ bid 54 asked)			
5	1	.	...	Thayers	535	1½	3½	2	3½
37	18	.	...	Do. pref.	5	21½	25	25	25
3	1	.	...	Thrift Stores	....	(1 bid 1¾ asked)			
14	5	.	...	Do. pref.	....	(— bid 11 asked)			
12	7½	25c	...	Tip Top Tailors	1687	9½	12	9½	10½
107	102	7	6.5	Do. pref.	15	105	107	106	107
1½	1	.	...	Tooke Bros.	....	(2 bid — asked)			
25	10	.	...	Do. pref.	29	20	20	20	20
40	34	1	2.7	Tor. Elevators	105	37	37½	37	37
119	109	7	6.3	Do. pref.	81	113	112	110	110½
95	75	4	4.8	Tor. Gen. Tr.	53	83½	83½	81	81
122½	115	6	4.9	Toronto Mtge.	....	(125 bid — asked)			
160	150	7	4.4	Tuckett Tob. p.	29	160	160	159	160
16	8	.	...	Twin City	....	(16 Nov. 16)			
				U					
14¾	9	35c	...	Union Gas	3134	13½	14	13½	13½
25	15	30c	...	Un. Amuse. (A)	....	(25 July 10)			
15	15	30c	...	Do. (B)	....	(15 Mar. 27)			
1.05	.50	.	...	United Distill.	2400	.95	1.00	1.00	1.00
49	20	.	...	United Fuel, pf.	793	44	48	43	45
28½	20	2	8.1	United Secs.	5	23½	24¾	24½	24½
8¾	2½	.	...	United Steel	79361	8	8¾	7	7½
				V					
10	6	.	...	Viau Bisc., new	410	8	7½	6	6
50	50	.	...	Do. pref.	275	..	50	50	50
				W					
31½	20	.	...	Wabasso Cot	425	23	24½	23½	24
49½	26½	2	4.2	Walker-Good.	7216	48½	49½	45	45½
20½	17	1	5.1	Do. pref.	2540	19½	20	19½	19½
3½	1¾	.	...	Walkerville Br.	1130	2½	3	2½	2½
3.00	.95	.	...	Waterloo Mfg.	3830	1.95	3.00	1.87	2.25
11½	4½	.	...	West. C. Flour.	1385	10½	11	10	10
78	36	.	...	Do. pref.	140	78	78	78	78
65	46½	2	3.1	West. Grocers	3	62	65	65	65
115	106	7	6.1	Do. pref.	10	115	115	115	115
21	13½	80c	3.9	Weston Ltd.	6392	20¾	21	19¾	19¾
109½	93	5	4.6	Do. pref.	326	109½	109½	108½	108½
2½	1	.	...	Windsor Hotel.	....	(2 bid — asked)			
12	4	.	...	Do. pref.	25	9	12	12	12
4½	1½	.	...	Winnipeg El. A	1356	3½	3½	2¾	2¾
4½	2½	.	...	Do. (B)	758	3½	3½	2½	3½
21	17½	.	...	Do. pref.	115	20	20	20	20
53	38	.	...	Wood, A. & J. p	....	(51 Nov. 12)			
90	50	.	...	Woods Mfg., pf.	23	85	85	85	85
				Z					
5	2¼	.	...	Zimmerknit, c.	313	4½	5	4½	5
90	80	3.50▲	..	Do. pref.	23	87	90	87	90

* Quotations for 1935. No sales recorded in 1936 to date.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $1.42½ paid Feb. 1, 1936.
● Plus stock bonus 1% paid Oct. 1.

Government Bonds

November 25, 1936

Dominion of Canada Bonds

	Rate	Due	Bid Nov. 25	Asked Nov. 25	Approx. Yield	Bid Nov. 18
††Dominion	5	1 Mar. 1937	100.85	101.35	.35	101.00
‡Dominion	5½	1 Dec. 1937	104.05	104.55	.91	104.25
Dominion	2½	15 Oct. 1938	103.00	103.50	1.28	103.00
Dominion	4	15 Oct. 1939	106.85	107.35	1.42	107.00
Dominion	2	15 Nov. 1939	102.00	102.50	1.16	102.00
Dominion	1½	1 June 1940	100.00	100.50	1.35	100.15
Dominion	4½	1 Sept. 1940	109.50	110.00	1.78	109.50
Dominion	1	15 Mar. 1941	97.75	98.25	1.41	97.75
Dominion	5	15 Nov. 1941	113.50	114.00	2.04	113.65
Dominion	3	15 Oct. 1942	104.85	105.50	2.01	104.65
Dominion	2½	1 June 1943	101.85	102.35	2.11	101.85
Dominion	5	15 Oct. 1943	114.50	115.00	2.61	114.65
Dominion	4½	15 Oct. 1944	112.75	113.25	2.63	112.75
aDominion	2½	15 Aug. '43-45	101.00	101.50	2.25▲	100.00
Dominion	4	15 Oct. '43-45	109.25	109.75	2.46▲	109.50
Dominion	4½	1 Feb. 1946	112.75	113.25	2.86	112.75
Dominion	3½	15 Oct. '44-49	105.15	105.65	2.70▲	106.25
Dominion	4	15 Oct. '47-52	108.75	109.25	3.00▲	108.50
Dominion	3	1 June '50-55	100.50	101.00	2.91▲	100.50
Dominion	4½	1 Nov. '46-56	111.50	112.00	3.09▲	111.75
Dominion	4½	1 Nov. '47-57	111.50	112.00	3.19▲	111.75
Dominion	4½	1 Nov. '48-58	112.15	112.65	3.22▲	112.35
Dominion	4½	1 Nov. '49-59	112.25	112.75	3.28▲	112.50
aDominion	3¼	15 Jan. '56-61	103.50	104.00	2.98▲	103.50
Dominion	3¼	1 June '56-66	101.50	102.00	3.11	101.50
§Dominion	3	Perp. bonds	96.35	96.85	3.10	96.50
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	100.75	101.75	2.90	100.50
Can. N. Ry.	3	1 May 1944	103.50	104.50	2.34	103.50
Can. N. Ry.	3	15 Dec. '46-50	100.25	101.25	2.84▲	100.00
Can. N. Ry.	3	15 Feb. '48-53	100.00	101.00	2.90	99.75
*Can. N. Ry.	4½	1 Sept. 1951	115.00	116.00	3.15	114.75
*Can. N. Ry.	4½	1 Feb. 1956	115.25	116.25	3.36	115.25
†Can. N. Ry.	4½	1 July 1957	114.00	115.00	3.48	114.35
*Can. N. Ry.	4¾	15 June 1955	117.00	118.00	3.45	117.25
Can. N. Ry.	5	1 Feb. 1954	118.00	119.00	3.53	118.00
*Can. N. Ry.	5	1 July 1969	118.00	119.00	2.81▲	118.00
*Can. N. Ry.	5	1 Oct. 1969	119.25	120.25	3.37▲	119.25
*M. Harb. C.	5	1 Nov. 1969	119.25	120.25	3.37▲	119.25
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1954	103.00	104.00	3.69	103.00
†N. Bruns.	4½	15 Apr. 1961	109.25	110.25	3.85	109.00
†N. Bruns.	5	15 Jan. 1960	113.50	114.50	4.04	113.00
N. Scotia	3	2 Sept. 1945	99.50	100.50	2.93	98.00
N. Scotia	4½	15 May 1943	107.50	108.50	3.05	107.00
N. Scotia	4½	15 Sept. '47-52	110.50	111.50	3.25▲	109.00
†N. Scotia	5	1 Mar. 1960	116.50	117.50	3.86	115.25
*Ontario	4	1 June 1962	107.00	108.50	3.50	107.00
*Ontario	4½	1 Sept. 1944	112.50	113.50	2.62	112.50
Ontario	4½	1 June 1950	111.75	112.75	3.35	111.50
*Ontario	4½	15 Jan. 1962	112.50	114.50	3.62	112.50
Ontario	5	15 Oct. 1948	114.75	115.75	3.39	114.50
*Ontario	5	2 Dec. 1960	120.50	122.50	3.59	120.50
Ontario	5½	1 July 1946	116.00	117.00	3.41	115.75
O. H. C.	3½-4-5	1 Oct. '36-52	100.00	101.00	1.20▲	100.00
Ont. Hyd. C.	4¾	1 Jan. 1970	117.50	119.00	3.74	117.00
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.89	100.50
Quebec	4	15 Mar. 1952	107.25	108.50	3.29	107.00
Quebec	4¼	1 Aug. 1958	110.50	113.25	3.45	110.25
Quebec	4½	2 Jan. 1963	112.75	114.25	3.66	112.00
Western—						
Alberta	4	15 Dec. '49-54	62.00	65.00	‖	62.00
†Alberta	4	1 Dec. 1957	63.00	65.00	‖	63.00
Alberta	4½	1 Oct. 1951	73.00	75.00	‖	72.50
†Alberta	4½	1 Oct. 1956	65.00	67.00	‖	65.50
†Alberta	5	1 Jan. 1948	66.00	68.00	‖	66.00
Alberta	5	1 Sept. 1955	65.00	68.00	‖	65.00
*Alberta	5	1 Oct. 1959	67.00	69.00	‖	66.00
†Alberta	5½	1 Jan. 1947	67.00	69.00	‖	67.00
Alberta	6	1 Mar. 1947	68.00	70.00	‖	66.00
†Brit. Col.	4	1 Dec. 1957	89.00	91.00	4.67	88.00
*Brit. Col.	4½	15 Jan. 1951	95.00	96.50	4.84	93.50
†Brit. Col.	4½	1 Oct. 1953	94.00	95.50	4.89	93.00
†Brit. Col.	5	15 Jan. 1948	97.00	96.50	5.17	96.00
Brit. Col.	5	1 Sept. 1953	95.50	97.50	5.22	95.00
Brit. Col.	5½	1 Feb. 1945	97.50	99.00	5.65	97.00
Brit. Col.	6	15 Feb. 1947	99.00	100.00	6.00	98.50
Manitoba	4	2 Jan. 1950	86.50	88.50	5.20	86.00
†Manitoba	4	1 Dec. 1957	87.50	89.50	4.80	87.00
†Manitoba	4½	15 Dec. 1956	90.00	91.50	5.17	89.00
†Manitoba	5	15 June 1954	96.00	98.00	5.17	95.00
*Manitoba	5	2 Dec. 1959	97.00	99.00	5.07	97.00
Manitoba	5½	1 Oct. 1955	96.50	97.50	5.72	95.00
Manitoba	6	1 Apr. 1947	98.00	99.50	6.06	97.50
Sask.	4	15 Aug. 1953	77.00	78.50	6.04	76.50
Sask.	4	1 Nov. '55-60	76.00	77.50	5.74	75.50
*Sask.	4½	2 July 1945	88.00	90.00	6.00	86.00
†Sask.	4½	1 Oct. 1951	85.00	86.50	5.86	84.50
†Sask.	4½	15 Mar. 1960	83.00	85.00	5.66	82.00
Sask.	5	1 Aug. 1958	86.00	87.50	6.03	85.50
†Sask.	5½	15 Nov. 1946	92.00	94.00	6.32	92.00
Sask.	5½	1 Oct. 1952	91.50	93.00	6.19	90.50
Sask.	6	15 Mar. 1962	93.00	94.00	6.63	92.50

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. aPayable N.Y. ‡Exempt from Dominion income tax. §Callable on or after Sept. 15, 1966. ‖Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Stock Quotations

WEEK ENDED NOV. 23, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close Nov. 16 (or last)	High for week	Low for week	Close Nov. 23
1	.13½	.04	Afton	38,050	.08	.09½	.08	.08
No	1.58	.88	Aldermac	236,048	1.27	1.45	1.26	1.30
1	.10	.01½	Alexandria	64,500	.03½	.03½	.03½	.03½
No	.12½	.03½	Algoma	76,900	.08½	.09	.07½	.07½
No	7.50	4.10	Anglo-Huronian	2,385	6.35	6.45	6.00	6.20
1	1.75	1.00	Argosy	17,132	1.14	1.22	1.10	1.10
1	1.20	.65	Arntfield	5,200	.70	.80	.75	.76
No	.12	.03	Arno	12,600	.05½	.06½	.05½	.06
1	.31	.06½	Ashley	13,115	.08½	.08½	.08½	.08½
1	.10½	.02½	Astoria Rouyn	696,400	.06½	.10½	.06½	.08½
1	.11½	.05½	Bagamac	62,350	.09	.09½	.09	.09
1	2.15	1.40	Bankfield	22,820	1.75	1.80	1.61	1.65
1	.10	.03½	Barry Hollinger	240,300	.06½	.06½	.04	.04
1	.42	.12	Base Metals	19,525	.27	.29½	.27	.27½
No	1.84	1.20	Beattie Gold	10,560	1.33	1.36	1.30	1.32
1	.59	.30	Beaufor	49,100	.41	.45	.41½	.44½
1	2.00	1.25	Bidgood Kirk	196,381	1.60	2.00	1.56	1.88
1	.76	.46	Big Missouri	25,520	.54	.53	.49	.49
1	.36½	.13	Bobjo	76,700	.19	.22	.18½	.19½
1	.58	.34	Bouscadillac G M	23,550	.47	.49	.45	.45
No	9.00	5.55	Bralorne	1,764	8.30	8.35	8.15	8.20
1	.40	.05	Brasil Gold	51,300	.09½	.19	.05	.16
1	.14½	.02	Brett Trethewey	14,600	.10	.10	.09½	.09½
50c	.25½	.09	B.R.X. Gold	3,000	.09½	.10½	.10	.10½
1	.16	.07	Brownlee	3,940	.07	.08½	.07	.08½
1	12.00	3.80	Buffalo Ankerite	4,061	10.75	11.75	10.75	10.75
No	.13	.02	Buffalo Can	112,000	.03½	.05½	.03	.04
5	37.00	27.50	Bulolo Gold	1,745	29.00	30.50	30.00	30.50
No	.18	.06	Bunker Hill	12,850	.13½	.13½	.12	.13
No	1.75	.95½	Can. Marlartic	27,000	1.58	1.62	1.40	1.40
1	2.10	1.15	Cariboo Gold	3,100	1.80	1.85	1.80	1.80
1	.40	.02	Cartier Malartic	181,375	.31	.36	.26	.31
1	1.69	1.18	Castle Trethewey	36,337	1.25	1.39	1.22	1.30
1	.58	.11½	Cen. Manitoba	40,400	.19	.21	.18	.19½
1	4.90	2.41	Cen Patricia	20,735	4.20	4.25	3.85	3.95
1	.59	.30	Cen. Porcupine	82,250	.35	.39	.35	.35
No	2.46	1.50	Chromium	18,370	1.67	1.75	1.62	1.62
No	.09½	.03	Church M & Mill	26,000	.03½	.04½	.03	.03½
No	.14	.03	Clericy	356,475	.06½	.10½	.06½	.08
5	8.00	2.25	Coast Copper	580	6.50	6.95	6.30	6.30
1	.04	.01½	Cobalt Contact	22,500	.02½	.03	.02½	.02½
5	4.25	2.80	Coniagas	125	3.25	3.40	3.25	3.40
No	2.75	1.70	Coniaurum	18,740	2.14	2.20	1.75	1.75
1	3.38	1.10	Con Chibougamau	262,362	3.08	3.30	2.50	2.50
25	80.00	51.00	Cons Smelters	17,395	77.75	80.00	75.50	75.75
1	1.75	1.10	Darkwater	60,100	1.50	1.65	1.51	1.52
No	61.25	41.75	Dome Mines	2,826	54.00	55.50	53.00	53.00
1	.09½	.04	Dom. Explorers	6,150	.06½	.08	.07	.08
1	.55	.42	Dorval Siscoe	14,400	.48	.47	.42	.42
1	.10½	.04	Duparquet	21,900	.05	.05½	.05	.05
1	1.24	.52	East Malartic	76,070	1.15	1.23	1.09	1.11
1	1.92	.80	Eldorado	73,860	1.79	1.85	1.73	1.75
No	12.87	6.90	Falconbridge	12,965	12.25	12.50	11.00	11.00
1	.10	.03	Federal	203,800	.09	.09	.07	.08
No	2.24	.10	Francoeur Gold	131,800	.95	1.18	.97	1.00
1	.41	.19	Glenora	563,850	.27	.34	.25	.25
No	1.45	.65	God's Lake	76,226	.75	.77	.65	.73
1	.49	.14½	Goldale	58,252	.44	.45	.35	.37
50c	.54	.12	Gold Belt	......	(.... bid .14 asked)			
1	.26½	.06	Goodfish	76,400	.11½	.15	.11½	.13
1	.24	.03	Graham Bosquet	16,450	.18	.18½	.16	.17
1	.40	.17	Granada Gold	7,247	.30	.29	.27	.28
No	.15	.05½	Grandora	1,500	.08	.07½	.06½	.07½
1	.93	.21	Greene Stabell	69,595	.46	.47	.40	.40
1	.09	.04	Groselle	......	(.06 bid .... asked)			
1	.16	.08	Grull Wihksne	3,900	.14	.15	.13½	.13½
1	1.20	.75	Gunnar Gold	58,280	1.08	1.15	1.08	1.03
1	.10½	.02	Halcrow Swayze	27,000	.04	.05½	.04	.05
1	3.63	.30	Hard Rock	84,725	3.20	3.23	2.60	2.70
1	.26	.07	Harker	54,550	.18	.18	.16	.16
5	17.25	12.00	Hollinger	12,155	13.75	14.00	13.37	13.50
1	1.00	.55	Howey Gold	27,510	.67	.69	.65	.65
No	32.12	22.87	Hudson Bay	25,909	30.00	32.12	30.12	31.00
1	14.25	10.75	Inter Mining	......	(12.00 Nov 12)			
1	4.50	2.75	Do, Pur Warr	......	(4.00 Nov 7)			
No	66.12	43.50	Int Nickel	46,033	64.50	66.12	60.87	62.00
1	.80½	.28½	J M Cons Gold	43,597	.49	.47	.41½	.43
1	.75	.40	Kerr Lake	......	(.60 bid 1.00 asked)			
1	1.75	.30	Kirk Hud Bay	84,550	1.45	1.75	1.45	1.47
1	.94	.40	Kirkland Lake	103,015	.68	.73	.64	.64
1	.12	.03½	Kirk Premier	......	(.08½ Aug 11)			
1	.31	.14½	Kirk Townsite	16,300	.20	.21	.19	.20
1	.96	.55	Laguna	26,550	.90	.96	.90	.95
No	.21	.03	Lake Maron	306,350	.10½	.10½	.08½	.08½
1	62.75	51.75	Lake Shore	10,865	62.25	62.75	60.75	60.87
1	.47	.05	Lamaque Contact	86,200	.14½	.16½	.14	.15
1	1.38	.70	Lava Cap	19,200	.83	.88	.81	.88
1	.29½	.12	Lebel Oro	74,277	.20	.20	.17	.17½
1	.15	.02½	Lee Gold	147,500	.05½	.10	.05	.07½
No	7.75	5.70	Little Long Lac	7,840	7.15	7.10	6.90	6.90
1	7.15	3.12	Macassa	96,105	6.05	7.15	6.00	6.60
1	.07	.01½	Malrobic	252,800	.03½	.05½	.03½	.03¾
No	.47	.12	Mandy	17,800	.34	.35	.33	.34½
No	.30	.05½	Man & Eastern	44,400	.13	.15	.13½	.13½
1	.30	.05½	Maple Leaf	20,700	.21½	.22	.21	.22
1	.60	.35	May Spiers	45,450	.42	.47	.40	.42
5	49.25	38.00	McIntyre	7,614	43.25	44.50	41.50	41.50
1	2.24	1.22	McKenzie R L	20,155	1.73	1.75	1.65	1.65
1	.65	.45	McKinley	......	(.63 bid 1.00 asked)			
No	5.05	3.40	McLeod Cockshutt	52,717	4.90	4.90	4.65	4.70
1	.15	.02	McMillan	235,450	.09	.10½	.08½	.10
No	1.78	.90	McWatters	28,000	.91	1.00	.90	.92
1	.42	.19	McVittie	9,340	.20	.21	.20	.20
5	2.50	.50	Mentor Exp & Dev	......	(1.50 bid 2.50 asked)			
No	3.15	1.10	Mining Corp	78,206	2.42	3.15	2.40	2.90
No	1.00	.07½	Minto Mines	12,450	.31	.31	.28	.28
1	.16½	.03	Moffatt Hall	16,000	.05	.05	.04	.05
1	.85	.51	Morris Kirk	32,120	.75	.75	.70	.75
1	1.93	.06½	Moneta	110,310	1.59	1.65	1.40	1.40
1	2.05	.25	Montague	1,100	.70	.75	.70	.70
1	.09	.00½	Murphy	358,100	.05	.07½	.04½	.06
No	.08	.02	Newbec	32,600	.05½	.06	.04½	.06
1	1.40	1.00	New Golden Rose	12,196	1.05	1.09	1.00	1.02
1	.06½	.01½	Night Hawk Penn	108,800	.03½	.04½	.03½	.03½
5	3.05	2.30	Nipissing	3,995	2.50	2.50	2.45	2.45
No	75.00	44.50	Noranda	16,480	73.00	75.00	72.00	72.00
No	.63	.24½	Nor Canada	7,900	.55	.55	.50½	.52
1	.18	.09½	Norgold	21,935	.10	.12	.10	.11
1	10.62	.34	O'Brien	201,555	8.50	10.62	8.50	10.12
1	.85	.40	Omega	24,307	.57	.58	.53	.55
1	.24	.07	Osisko	3,600	.17	.18	.17½	.18
No	5.20	3.11	Pamour	12,426	3.60	3.72	3.30	3.45
1	.48	.18	Parkhill	33,900	.31	.30	.27	.27
1	.46	.30	Paulore	39,800	.41	.42	.38	.40
1	.11	.02½	Pawnee Kirk	49,000	.05½	.06	.04	.04
1	1.25	.50½	Paymaster	123,336	1.15	1.25	1.13	1.14
1	1.95	.65	Pend Oreille	144,120	1.35	1.95	1.37	1.78
1	1.95	1.12	Perron Gold	31,330	1.62	1.77	1.55	1.55
1	.04	.02	Peterson Cobalt	6,500	.02½	.02½	.02½	.02½
1	7.60	3.95	Pickle Crow	15,886	6.75	6.95	6.30	6.30
1	12.00	5.85	Pioneer Gold B C	19,735	6.00	6.60	5.85	5.85
1	.15	.04	Porcupine Crown	69,900	.08½	.08½	.07	.08½
1	1.65	.95	Powell Rouyn	55,300	1.65	1.64	1.48	1.48
1	3.56	1.80	Premier Gold	23,690	3.10	3.37	3.14	3.20
1	2.25	.21	Preston E Dome	48,478	1.50	1.50	1.30	1.30
No	3.25	1.40	Prospectors Air's	2,200	1.50	1.59	1.43	1.50
1	1.40	.59	Quebec Gold	2,625	.75	.75	.70	.75
No	.11	.02	Quemont	1,000	.09	.11	.09½	.09½
1	4.45	1.43	Read Authier	16,215	4.25	4.30	3.90	4.10
1	2.55	.50	Red Lake	27,225	1.69	1.74	1.53	1.60
1	1.46	1.00	Reno Gold	28,270	1.41	1.44	1.30	1.36
1	.13½	.01	Ritchie	182,735	.07½	.09½	.07	.08½
1	.09	.04	Robb Montbray	166,500	.06½	.07½	.06½	.07½
1	.76	.05½	Roche Long Lac	64,050	.28½	.27	.25	.25
1	3.45	1.69	San Antonio	41,571	2.04	2.50	2.00	2.25
1	1.16	.75	Shawkey	46,310	.80	.87	.80	.80
50c	.97	.56	Sheep Creek	13,250	.80	.83	.75	.77
1	2.95	1.00	Sherritt Gordon	91,704	2.53	2.59	2.25	2.26
1	5.10	2.87	Siscoe	18,906	4.55	4.60	4.45	4.50
1	1.35	.42½	Sladen Malartic	194,960	1.12	1.35	1.10	1.15
1	6.25	4.40	South Amer. Gold	600	5.05	4.85	4.80	4.80
No	.08½	.03½	South Tiblemont	53,500	.03½	.04½	.03½	.03½
No	.89	.18½	Stadacona	133,640	.79	.80	.69	.70
1	.38½	.15	St. Anthony	17,050	.17	.19	.17	.17½
No	6.40	3.00	Sudbury Basin	6,210	5.85	6.10	5.40	5.50
1	.35	.06	Sudbury Contact	157,100	.31	.35	.31	.31
1	.07½	.02½	Sudbury Mines	34,100	.03½	.03½	.03	.03½
1	2.50	.83	Sullivan Cons	138,917	1.85	2.22	1.85	1.98
1	3.65	2.25	Sylvanite	12,222	3.30	3.40	3.25	3.25
1	.68	.12	Tashota	145,900	.15	.25	.12	.19
1	6.70	4.80	Teck Hughes	30,390	5.05	5.20	5.00	5.15
1	1.50	.37½	Thomp. Cadillac	91,375	.77	.92	.76	.80
1	.27	.02	Timiskaming	14,800	.17	.17½	.16½	.17
1	4.45	1.20	Toburn Gold	8,925	4.00	4.15	3.60	3.65
1	1.30	.20	Towagmac	53,869	1.00	1.23	.98	1.05
1	.80	.20	Treadwell	450	.75	.55	.55	.55
No	3.15	1.60	Ventures	74,007	3.07	3.15	2.80	2.80
No	2.49	1.00	Waite Amulet	19,245	2.15	2.28	2.05	2.10
50c	.21	.05½	Wayside	89,500	.06½	.07½	.06½	.06½
No	.06	.03	White Eagle	21,800	.04	.04½	.03½	.03½
1	.10	.03	Wiltsey Coughlan	11,800	.07½	.08	.07	.07
1	.12	.04	Wood Kirkland	......	(.10½ Oct. 28)			
No	9.00	7.50	Wright-Hargreaves	64,841	7.80	8.30	7.75	8.05
No	.71	.35	Ymir Girl	10,700	.35	.40	.35	.40
			OIL STOCKS					
No	.18½	.09½	Acme Gas & Oil	10,200	.11½	.13	.10½	.11½
1	.70	.40	Ajax	1,600	.42	.45	.40	.41
No	2.25	.70	Calgary & Ed	39,305	2.13	2.18	1.85	1.85
1	.43	.05	Calmont	11,200	.34	.40	.30	.30
No	.22	.04½	Common Pete	9,100	.20	.22	.17	.20½
No	.98	.36	Dalhousie	11,435	.88	.86	.80	.80
No	.13½	.06	Eastcrest	1,500	.09	.09½	.08	.09½
No	.70½	.30	Foothills	135	.50	.40	.35	.40
No	.31	.10	High Sarcee	13,000	.16	.16½	.14	.14
No	1.51	.70	Home	20,309	1.24	1.35	1.20	1.31
1	.81	.11	Homestead O.&G.	23,600	.48	.48	.40	.40
No	.95	.70	Hunter Valley	3,500	.95	.80	.70	.70
...	.23½	.15	Do. Warrants	1,500	.16	.16	.16	.16
No	.24½	.07	Lowery	6,600	.21	.20	.15	.20
No	.24	.10	Merland	1,000	.14	.13	.11	.11
5	.26	.10	Nordon	12,300	.12	.15	.12	.13
No	.07	.03	Oil Selections	1,000	.04½	.04½	.04½	.04½
No	.15	.06	Olga Gas & Oil	3,000	.07½	.08½	.07	.07½
1	.80	.52	Petrol Oil & Gas	240	.70	.70	.70	.70
No	39.50	26.00	Royalite	3,736	34.00	34.50	32.50	33.25
No	.30	.04	South West Pete	......	(... bid .30 asked)			
No	2.50	1.45	Texas Can	36,993	2.30	2.35	2.10	2.10

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1936 High	Low	Company	Sales	Close Nov. 16 (or last)	High for week	Low for week	Close Nov. 23
1	.09	.01½	Alexandria Gold	......	(.05 Sept. 22)			
25c	.01	.00½	Bayview	......	(.00½ bid .01 asked)			
20c	.05	.01½	Beaver Silver	5,000	.02½	.02½	.02½	.02½
1	.76	.46	Big Missouri	8,925	.53	.53	.50	.50
25c	.01½	.01	Bluebird	......	(.01 bid .02 asked)			
No	9.00	5.60	Bralorne	1,737	8.45	8.35	8.15	8.20
1	.10	.03	Bridge River Cons.	2,300	.04	.04½	.04	.04½
50c	.25½	.08	B.R.X. Gold	4,000	.10½	.10	.08	.10
50c	.18	.09	B.R. Mountain Gold	......	(.11 Oct. 30)			
1	.54	.17½	B.C. Nickel	24,950	.34	.35½	.32½	.33
1	2.95	1.50	B.C. Silver	1,000	2.75	2.70	2.65	2.70
50c	.12½	.04	Canadian Rand	......	(... bid .04 asked)			
1	2.05	1.15	Cariboo Gold	2,475	1.80	1.85	1.76	1.76
1	.30	.06½	Congress Gold	15,000	.09	.10	.08	.09½
25c	.01	.00½	Cork Province	58,000	.00½	.01	.00½	.00½
1	.04	.02	Cotton Belt	......	(.02 bid ... asked)			
1	.03½	.01	Dalhousie Mines	......	(.01 bid .02 asked)			
No	.36	.10½	Dentonia	4,300	.12	.13½	.12½	.12½
No	.08½	.01½	Dictator	13,500	.03½	.03½	.03	.03
1	.07	.02	Dunwell	......	(.03 bid .04 asked)			
No	.09½	.03	Fairview Amal	8,989	.08	.08	.07½	.08
50c	.80	.35	Fawn Mining	5,290	.65	.69	.64	.69
1	.18½	.02½	Federal Gold	6,500	.04½	.04	.03½	.03½
1	.43	.15	George Copper	1,000	.40	.40	.38	.40
50c	.05½	.02	George Enterprise	......	(.03 bid .05 asked)			
1	.02½	.01	Georgia River	15,400	.01½	.01½	.01½	.01½
50c	.02½	.01	Glacier Creek	......	(.01 bid ... asked)			
1	.24	.09	Golconda	45,100	.13	.15	.12½	.14
50c	.54	.10	Gold Belt	7,125	.12½	.13	.12	.12
50c	.18	.05	Gold Mountain	10,600	.12	.12½	.12	.12½
50c	.09½	.02	Grandview	277,350	.06½	.09½	.06	.08½
No	.07½	.01½	Grange Mines	40,500	.03½	.03½	.02½	.02½
1	.15½	.07	Grull Wihksne	19,100	.14	.13½	.13	.13½
No	.05½	.00½	Haida Gold	......	(... bid .00½ asked)			
50c	.32	.12	Hedley Amal	10,200	.15½	.14	.12	.13
No	.05	.03	Hedley Sterling	......	(.03 June 22)			
No	.08	.02	Home Gold	6,000	.03½	.03	.03	.03
1	.02	.00½	Independence	......	(.00½ bid .01 asked)			
1	.03	.01½	Indian Mines	......	(.02½ bid .03 asked)			
50c	1.85	.95	Island Mountain	4,500	1.25	1.30	1.25	1.27
1	.22	.18	Inter'tl Coal	3,500	.22	.21	.21	.21
50c	.10½	.05½	Inter'tl Gold	10,500	.08½	.08½	.07½	.07½
50c	.93	.30	Kootenay Belle	4,300	.83	.83	.80	.80
20c	.01½	.00½	Koot. Florence	25,700	.01	.01½	.01½	.01½
25c	.00½	.00½	Kootenay King	......	(.00½ bid ... asked)			
25c	.00½	.00½	Lakeview	......	(.00½ bid ... asked)			
10c	.03½	.01	Lucky Jim	81,200	.02½	.03½	.02½	.03½
No	.14½	.02½	Mak Siccar	18,192	.02½	.06½	.02½	.05½
50c	.00½	.00½	Marmot Metals	2,000	.00½	.00½	.00½	.00½
1	.20	.12	McGillivray Creek	1,000	.19	.18	.18	.18
50c	.14½	.02	Meridian Min	3,600	.02½	.02½	.02½	.02½
No	.94	.07	Minto Mines	49,850	.30	.31	.27	.27½
50	.05	.01½	Morning Star	24,400	.02½	.02½	.02½	.02½
1	.01	.00½	Morton Woolsey	......	(.00½ bid .01 asked)			
25c	.03½	.02	National Silver	......	(.02½ Oct. 6)			
50c	.22½	.07½	Nicola	59,400	.10½	.11½	.09½	.11½
50c	.05½	.02	Noble Five	96,900	.04½	.05	.04½	.04½
1	1.95	.65	Pend Oreille	37,380	1.30	1.95	1.46	1.79
No	.09	.02	Pilot Gold	25,700	.04½	.04½	.04	.04½
1	11.85	5.70	Pioneer Gold	11,545	6.05	6.75	5.70	5.80
50c	.07	.04	Porter Idaho	18,000	.06	.07	.06½	.06½
No	.01½	.00½	Premier Border	......	(.00½ bid ... asked)			
1	3.52	1.80	Premier Gold	9,259	3.12	3.33	3.21	3.23
1	.05½	.01	Quatsino Copper	15,500	.03½	.03½	.03	.03½
25c	.13½	.05	Quesnelle Quartz	4,000	.07½	.08½	.07½	.08½
50c	.05	.04	Red Hawk	......	(... bid .04 asked)			
.01	.09½	.02	Reliance	40,000	.03	.03½	.02½	.03
1	.50	.26	Relief Arlington	23,100	.35	.35	.29½	.29½
No	.30	.05	Reeves McDonald	35,225	.15	.30	.15	.22
1	1.50	1.00	Reno Gold	2,220	1.39	1.40	1.37	1.37
1	.15	.02	Reward Mining	13,300	.06	.06½	.06	.06
1	.02½	.00½	Rufus Argenta	4,000	.01½	.02	.01½	.01½
1	.03	.01	Ruth Hope	1,000	.01½	.03	.03	.03
1	.15	.07	Sally Mines	3,400	.12	.11	.11	.11
50c	.13½	.08	Salmon Gold	......	(.08 bid .08½ asked)			
50c	.97	.55	Sheep Creek	7,900	.79	.79	.76	.77
1	.03	.02	Silverado	500	.03	.02	.02	.02
25c	.08	.03	Silvercrest	700	.04	.04½	.04½	.04½
20c	.02½	.01	Silversmith	8,000	.01½	.01½	.01½	.01½
50c	.01	.00½	Snowflake	......	(.00½ bid ... asked)			
1	.54	.36	Standard Silver	1,100	.42	.42	.42	.42
1	.30	.10	Sunloch	......	(.25 bid ... asked)			
10c	24.25	16.50	Sunshine	......	(.17.00 Sept. 23)			
No	.24	.06½	Taylor Bridge	2,200	.08	.08	.07	.07
1	.21	.07	Taylor Windfall	......	(... bid .12 asked)			
50c	.04½	.01½	United Empire	130,500	.02	.02	.01½	.01½
No	1.88	.65	Vidette Gold	8,650	.91	1.18	.93	1.16
No	.08	.00½	Viking Gold	6,000	.01½	.01½	.01½	.01½
No	.06½	.01	Waterloo Gold	292,000	.01	.01½	.01	.01½
50c	.01½	.00½	Waverley Tangier	2,000	.00½	.00½	.00½	.00½
50c	.20½	.05½	Wayside	29,700	.07½	.07½	.07	.07
20c	.02	.01	Wellington	41,500	.01½	.02	.01½	.02
50c	.27	.19	Wesko	44,417	.26	.26	.24	.25
1	.06½	.02½	Whitewater	27,500	.04½	.06	.04½	.05½
No	.69	.35	Ymir Yankee Girl	2,300	.40	.36	.35	.35
			OIL STOCKS					
1	.23	.09	Alta. Pac. Cons.	15,180	.19	.20	.18	.19
1	.15	.04	Amalgamated	26,000	.07½	.08	.06	.06
1	.09	.02½	Anaconda	37,500	.07½	.08	.07	.07½
No	.12	.02	Associated	......	(.06 Nov 4)			
No	.05	.02	Baltac	6,000	.04	.04½	.04	.04
1	.43	.09½	Brit. Dominion	416	.20½	.18	.15	.16
No	2.22	.70	Calgary & Ed	25,320	2.02	2.11	1.85	1.85
1	.42	.05	Calmont	33,855	.32	.39	.31	.31
1	.22	.04½	Commonwealth	8,011	.20	.21	.18	.20
1	.15	.05	Crow's Nest	23,200	.07½	.08	.06	.06
No	.96	.36	Dalhousie	5,615	.80	.85	.73	.73
No	.06	.02	Devenish	4,300	.05½	.06	.05	.05
No	.12½	.04½	Freehold	10,700	.09½	.09½	.08½	.08
No	.26	.04	Hargal	16,074	.22	.25	.20	.23
No	.38	.09½	High Sarcee	2,536	.15	.15	.12	.14
No	1.46	.70	Home Oil	8,360	1.23	1.37	1.18	1.32
No	.04	.01	Madison	38,100	.03½	.03	.03	.03
No	.20	.01½	Marjon Oil	10,500	.14	.15½	.14	.14
No	.18	.05	McD. Segur Ex.	39,290	.15½	.17	.14½	.15
1	.75	.20	McLeod	1,600	.55	.55	.55	.55
No	.18½	.10½	Mercury	38,470	.14½	.16	.14	.15
No	.24	.09	Merland	1,400	.13	.11	.10	.10
No	.15	.08	Mill City Pete	150	.13	.10½	.10½	.10
1	.45	.20	Model	21,180	.40	.45	.37	.40
5	.26	.10	Nordon	6,525	.14	.15	.13	.13
No	.91	.04	Okalta	177,764	.70	.90	.60	.77
No	.15	.04½	Pacalta Oil	260,200	.10	.15	.10	.12
1	.83	.34	Ranchmen's	1,000	.40	.38	.38	.38
No	39.50	26.25	Royalite	131	33.00	34.50	33.00	34.50
No	.30	.04	Southwest Pete	......	(... bid .29 asked)			
1	.27	.09	Spooner	2,100	.20	.23	.21	.21
No	.15½	.05	United	75,250	.13	.15½	.12½	.13
No	.11½	.04½	Vanalta	52,350	.09	.11½	.09½	.10
1	1.06	.10	Vulcan	6,826	.85	.91	.80	.85
1	.08½	.07	Wellington Oil	1,000	.08½	.07½	.07½	.07½

Corporation Bonds

Supplied by the Investment Dealers' Assoc. of Can.

November 24, 1936

Public Utility Issues:	Int. Rate	Due	Bid Nov. 24	Asked Nov. 24	Bid Nov. 17
*Ass. Tel. & Tel.	5½	'55	88	89	88
Beauharnois P.	5	'73	47	50	47
*Bell Telephone.	5	'55	115	118	114½
*Do.	5	'57	121½	124½	121½
†B. C. Power	5	'60	106	108½	106
†Do.	5½	'60	105	108½	106
†B. C. 'Phone	4½	'61	105½	108½	105½
*Calgary Power.	5	'60	97	100	97
†Can. Nor. Pwr.	5	'53	103	106	103
*Dom. Gas & El.	6½	'45	94	97	93½
*Gatineau Pwr.	5	'56	101½	104½	101½
*Do., A	6	'41	99½	102½	99½
*Do., B	6	'41	98½	101½	99
*Inter. Hydro-E.	6	'44	64	67	65
*Inter. Power	6½	'57	99	102	99
†Maclaren-Que. Power	5½	'61	92	95	91½
†Do.	5½	'64	91½	94½	91
†Mtl. Island Pr.	5½	'57	104½	107½	104½
†Mtl. L. H. & Pr.	3½	'56	102	105	101
†Mtl. Tramways	5	'41	102½	105½	102½
†Do.	5	'55	85½	88½	85½
Nfld. L. & P.	4½	'56	100½	103½	100½
†N. S. L. & Pr.	5	'58	103½	106½	103½
Do.	5	'65	102½	...	102½
†Ot'wa L.H.&P.	5	'57	103	106	106
†Ottawa Tract.	5½	'55	101	104	101
†Ottawa V. Pwr.	5½	'70	82½	85½	78½
†Power Corp.	4½	'59	100	103	99½
*Quebec Pwr.	5	'68	103½	106½	103½
Saguenay Pwr.	4½	'66	104½	107½	104½
†Shaw. W. & Pr.	4	'61	99	102	99½
†Do.	4½	'70	103	106	103½
†South. Can. Pr.	5	'55	103½	106½	104
†United Secs.	5½	'52	81	84	81
*Winnipeg Elec.	4½	'60	104	107	104
*Do., A	4	'65	75½	78½	76
Do., B	4	'65	65½	68½	66
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	75	78	67½
Acadia Sugar	4½	'55	101½	104½	101
†Alta. Pac. Gr.	6	'46	96½	99½	96
Asbestos Corp.	5	'42	109	112	108½
B. A. Oil	4	'45	103	106	103
Canada Bread	6½	'41	109½	112½	109
†Canada Cement	4½	'61	104	107	103½
†Can. Steamship	6	'41	55	58	56
Can. Canners	4	'51	99	102	99
Can. Bakeries	6½	'45	95	...	94
*Can. Inter. P.	6	'49	99	102	99½
C. P. R.	3½	'51	99½	102½	99½
Do.	4	'49	104½	107½	103½
Do.	4½	'44	102½	105½	102½
Do.	4 Perp.		96½	97½	96½
*Can. Vickers	6	'47	98	101	98
†Consol. Paper	5½	'41	63	66	64
*Dominion Coal.	6½	'55	99½	102½	99½
Dom. Sq. Corp.	6	'48	60	65	60
‡Dom. Stl. & C.	6½	'55	80	83	77½
†Dominion Tar	4½	'51	99	102	99
Dom. Textile	4½	'55	106	109	106
†Donnacona P.	3-4-4½	'56	79	82	80
†Eastern Dairies	6	'49	79	83	78½
†Famous Players	4½	'51	99	102	98½
†Federal Grain	6	'49	99	102	98½
†Fraser Cos.	6	'50	102	105	102½
†Gen. Steel W.	6	'52	103½	106½	103½
*Gt. Lakes Pap.	5	'55	82	85	82½
†Gypsum, L.&A.	5½	'48	102½	105½	102½
†Gr. Br. & Can. Invest.	4½	'59	85	88	85
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'50	101	104	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	96½	99½	96
†Inter. P. & P. Nfld.	5	'68	102	105	102
Inter. City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	55	60	55
†Kingston Elev.	6	'50	97	100	96½
†Lake St. John P. & P.	6½	'47	116	119	117½
†Do.	6	'42	92	95	93
†Lond. Can. Inv.	4½	'48	93½	96½	93½
†Maple L. Mill.	5½	'49	84½	87½	84½
†Massey-Harris.	5	'47	93	96	93½
†McColl-Front.	6	'49	104	107	104
†Mercury Mills	5½	'53	76	80	75½
†Mersey Paper	6	'49	99	102	98
*Minn. & Ont. P.	6	'45	48½	51½	48
Mtl. Dry Docks	6	'48	90	93	88½
Nat. Grocers	4	'36-'47	101½	...	101½
†N. A. Elevators	6	'50	98	101	98
Nor. Ont. Bldg.	6½	'39	96½	99½	96½
*Prov. Paper	5½	'47	103	106	103
Queen's Hotel.	6	'47	98½	101½	98
*Reliance Grain.	6	'48	103	106	103
†Restigouche Co.	6	'48	110½	113½	110½
Rich. Bay Bldg.	6½	'47	100½	...	100½
†Rolland Paper.	4½	'51	102½	105½	102½
Ruddy & Co.	6½	'48	97½	100½	97½
†Smith, Howard	4½	'51	101	104	101
*Spruce Falls P.	5½	'42	101	104	101
†Steel of Can.	6	'40	113	116	113
Sterling Coal	6	'40	89	...	88½
Stop & Shop	6	'47	63	...	62
Twin City	5½	'52	92	95	93
United Amuse.	5	'56	99	102	99
United Corp.	5	'53	97	100	97
Unit. Grain Gr.	5	'48	95	98	95
Do.	5½	'49	97	100	97½
Union Gas	4½	'43-'50	99	102	99
Zimmerknit	6	'51	101½	...	101½

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

November 24, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	5.00	....
Do., pfd.	8.00	....
Acme Farmers Dairy pfd.	43.00	....
Andian National	46.50	47.50
Assoc. Tel. & Tel. pfd.	56.00	58.00
B. C. Pulp & Paper pfd.	15.50	....
Burns & Co. A	7.50	8.50
Do., B	5.50	6.00
Canada Starch pfd.	99.00	....
Can. Tube & Steel 1st pfd.	60.25	....
Do., 2nd pfd.	12.50	....
Can. Wire & Cable pfd.	118.00	120.00
Can. Airways	7.50	10.00
Can. Industries A com.	245.00	....
Do., B com.	244.00	247.00
Can. Industries pfd.	165.00	167.00
Can. Ingersoll Rand	128.00	135.00
Can. Westinghouse	77.00	78.50
Chase, A. W., pfd. bonus	25.00	....
Conduits Nat. new com.	3.50	....
Dom. Found. & Steel com.	75.50	....
Do., pfd.	97.00	100.00
Dominion Rubber pref.	99.50	102.00
Dunlop Tire pfd.	82.00	85.00
Eastern Dairies pfd.	16.50	19.00
Federal Grain com.	3.50	4.00
Do., pfd.	46.00	....
Goderich Elevator	11.25	12.00
Great Lakes Paper pfd.	18.00	19.00
Greening Wire pfd.	108.00	114.00
Guelph Carpet pfd.	105.50	106.50
Do., com.	22.00	....
Hayes Steel Prod. com.	1.75	....
Highland Dairy com.	3.50	4.00
Do., pfd.	83.00	87.00
Inter City Baking com.	40.00	42.00
N. Meth. Laund. pfd. bonus	81.00	....
Provincial Paper pfd.	106.00	107.50
Reliance Grain pfd.	96.00	....
Rob. Cons. Cone	9.00	10.00
Ruddy, E. L., pfd.	36.00	40.00
Silverwood's Dairies pfd.	54.00	....
Standard Fuel com.	9.00	10.25
Do., pfd.	106.00	....
Supert. Petroleum B pfd.	27.00	28.00
Toronto Carpet pfd.	43.00	....
United Steel A pfd.	13.00	13.50
Western Grain pfd. bonus	9.50	....
Wings Limited	2.55	2.75
Trust & Loan Stocks:		
Chartered Trust	86.00	....
Commercial Finance com.	2.50	3.00
Debenture Co. of Can.	14.00	....
Guelph Ont. Inv. par $50	48.00	51.00
London & West. Trust	53.50	57.00
Premier Trust	....	....
Sterling Trust	30.00	33.00
Traders Fin. Inc. Rts.	10.00	....
Do., B pfd. bonus	86.00	....
Trusts & Guarantee	29.50	31.00
Insurance Stocks:		
British America	50.00	....
Canada Life	525.00	540.00
Canadian Fire	77.00	....
Can. Ins. Shares	12.50	....
Confed. Life 20% pd.	112.50	115.00
Cont. Life 20% pd.	38.00	44.00
Crown Life	167.00	....
Dominion Fire	127.00	140.00
Dominion Life 50% pd.	270.00	300.00
Dom. of Can. Gen.	120.00	130.00
Empire Life 25% pd.	7.50	8.75
Excelsior Life 30% pd.	68.50	73.00
Federal Fire 25% pd.	41.00	....
Fidelity Ins. of Can.	46.00	....
Great West Life	375.00	385.00
Guar. of N.A., fully pd.	280.00	....
Halifax Fire	22.50	23.75
Imperial Life	355.00	....
Manufacturers Life	240.00	260.00
Monarch Life 10% pd.	20.50	22.00
National Life 25% pd.	....	48.50
Sovereign Life 25% pd.	15.25	17.50
Sun Life	645.00	660.00
Toronto General	5.25	6.25
Western Assur. com.	45.00	46.50
Do., pfd.	41.00	44.00
Theatre Stocks:		
Allens Beach pfd.	65.00	70.00
Do., Kingston, pfd.	62.00	....
Do., Parkdale, pfd.	70.00	....
Do., Toronto, pfd. bonus c.	29.00	35.00
Eastern Theatres, pfd.	71.50	80.00
Loew's Buffalo, pfd.	3.50	4.00
Do., London, pfd.	2.60	3.00
Do., Toronto, pfd.	117.00	....
Mansfield Theatre, pfd.	30.25	32.00
Paramount Kitchener, pfd.	50.00	....
Do., Oshawa, pfd.	86.00	94.00
United Amusement A	17.00	....
Do., B	15.00	....
Investment Trust Shares:		
Can. Gen. Invest.	10.90	11.25
Can. Int. Inv. Trust Units	95.00	....
Can. Investors	9.50	10.00
Cons. Div. Std. Sec. Units	18.25	19.50
Corporate Investors	....	7.75
Dom. Scott. Invest. Units	41.00	43.00
For. Power Sec. pfd.	7.75	9.50
Invest. Foundation Units	64.50	66.00
Sec. Holding Units	25.00	26.00
Third Can. Gen. Inv. Trust	1.90	....
United Corpns. A	26.50	27.50
Do., B	19.00	20.00
Power Issues:		
Calgary Power pfd.	73.00	75.00
Can. West. Nat. Gas pfd.	82.50	85.00
Do., com.	25.50	28.00
Inter. Util. 1.75 pfd.	10.00	10.75
Do., 7.00 pfd.	93.50	96.00
Montreal Island Pwr. pfd.	15.00	....
Nor. Ont. Power pfd.	103.50	105.00
Nova Scotia L. & P. pfd.	103.50	107.00
Do., com.	90.00	....

Unlisted Mines

November 24, 1936

	Bid	Asked
Admiral	.32	.34
Albany River	.85	.87
Algold	.44	.46
Algoma Summit	2.00	2.10
Ardeen	.21	.24
Arrowhead	.43	.44
Area	.04	.05
Athona	.25	.28
B.E.A.R.	.30	.34
Blue Star	..	.24
Bousquet Gold	.08	.09
Brae Breest	.20	.23
Brengold	.23	.25
Bilmac	.20	.24
Bailor	.05	.05¼
Bathurst	.04½	.05½
Beresford L.	.63	.66
Calder Bosquet	.23	.25
Callinan Flin Flon	.09	.11
Canadian Pandora	.17	.18
Candalaca	.25	.27
Centrecour	.19	.21
Colonial	.30	.32
Coin Lake	..	.25
Columario (new)	.02	.03
Cuniptau	.20	.22
Continental Kirk.	.29	.31
Casey Summit	.22	.25
Cres. Kirkland	.28	.32
De Santis	.62	.65
Derlak	.20	.23
Dona Pat	.32	.35
Darwin	.43	.46
Demp. Cad.	.25	.27
Don Martic	.26	.29
Dunlop (new)	.18	.19
Doreva	.77	.82
Empress Cons.	.70	.72
Franklin	.02	.02½
Falkenham	.37	.40
Frontier R. Lake	.17	.19
Galateas	.05½	.06½
Garnet	.09	.09½
Gateway Pat.	.18	.21
Gillies Lake	.57	.59
Gold Eagle	..	.60
Goldside	.11	.12
Golden Gate	.32	.34
Gordon Lebel	.25	.27
Gilbec	.05¼	.05¾
Hayes Cadillac	.27	.29
Holtyrex	.05¼	.05¾
Horseshoe	.10	.10½
Hudson Patricia	.14½	.16½
Hugh Pam.	.25	.28
Hutchison Lake	.21	.22
Jellicoe	.41	.44
Johnson Nipigon	.04½	.05½
Kaw Crow	.19	.22
Kenecho	.13	.15
Kenricia	.80	.85
Keora	.12½	.14
Kirk King	.23	.25
Lamaque	7.25	7.75
Lafayette	.04	.04½
Lapa Cadillac	.84	.87
Leitch Gold	..	.75
Lake Rose	..	.35
McFarlane	.07	.07½
Manitoba Basin (new)	.03	.04
Margaret	.28	.32
Madsen Red L.	1.09	1.12
Magnet Lake	.13	.14
Martin McNeely	.08	.10
Matachewan Can.	.21	.22
McAndrew	..	.18
McCarthy Webb	.46	.49
Mosher	.42	.43
Murmac	.08	.11
Martin Bird	.29	.32
Mooshla	.68	.60
Monarch Mines	.33	.38
McVittie Kirk.	.05	.06
Maritime	.39	.41
Mid Kirk	.26	.28
North Shores	.03	.03½
Old Diamond	.38	.41
Oklend	.32	.35
O'Leary	.17	.18
Opemiska Cap.	..	.80
Oriole	.06	.07
Oremond	..	.25
Ossian	.11	.13
Porcupine Gold R.	.03	.04
Porcupine Lake	.52	.54
Pascalis	.40	.45
Porquin	.18	.20
Pandora Cadillac	.83	.85

Winnipeg Stocks

(Transactions from Nov. 16 to Nov. 21)

	Sales	High for period	Low for period	Close Nov. 21
Flin Flon	8,100	.26	.24	.25
Cres. Cream., p.	18	36.00	36.00	36.00
Cryderman	5,300	.05	.04	.04
Herb Lake	3,100	.12	.12	.12
Gold Lake	21,900	.11	.08	.08½
Gurney Gold	8,800	.48	.46	.47
Mandalay	2,000	.10	.08	.08
Madsen Lake	200	1.20	1.20	1.20
Ore Grande	5,800	.20½	.19	.20
Oxford M.	200	.60	.60	.60
Optic Lake	20	1.15	1.15	1.15
Packsack	16,450	.26	.24	.25
Sachigo River	45	18.00	18.00	18.00
United Grain	7	11.50	10.50	10.50
Vanson Man.	2,000	.01½	.01½	.01½
Wingold	8,300	.05	.04½	.05
Wings Ltd.	15,090	3.20	2.50	3.00
Wpg. R. Tin	4,500	.02½	.01½	.01½

Stocks Not Traded In During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10
Dom. Envelope, com.	..	1¼
Do., pf'l.	93½	..
Home Invest.	..	20
Northern Mtge., part pd.	..	3½
North. Can. Mtge., pf.	4	..
Traders Bldg.	80	..

*Stocks more active on other exchanges not included.

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	112.00	114.00	4.10
Hamilton	5	1950	109.50	111.50	3.90
Montreal	5	1945	104.25	105.50	4.20
Ottawa	4½	1945	109.00	111.00	3.05
†Quebec	5	1959	105.00	107.00	4.50
Saint John	5	1950	107.00	108.50	4.21
†Toronto	4½	1955	111.50	113.50	3.50
†Vancouver	5	1950	83.00	88.00	6.33
Winnipeg	5	1944	93.00	99.00	5.15

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.50	4.75
Can. Invest. Fund	4.60	4.95
Grouped Income	6.64	
Can. Equity	13.00	
All Can. Com.	14.75	
Trans. Canada	14.40	
Can. Int. Trust, modified	5.87	
Do., unmodified	4.37	

UNLISTED MINES—(Continued)

	Bid	Asked
Red Crest	.97	1.03
Richmac	.37	.39
Roeanor	.26	.30
Rouyn Reward	.07	.08
Regal Kirk.	..	.22
Rubec	.52	.54
Salmo Malartic	..	.18
Sand River	.26	.30
Schreiber	.11	
Skookum	.28	
Smelter Gold	.08	
South Keora	.16	
Spooner	.22	
Springer	.13	
Sturgeon R. Gold	.45	
Shenango	.27	
Slave Lake	..	
Tonawanda	.22	
Upper Can.	.56	
Wendigo	.33	
West-Side	..	
W. Red Lake	.12	
White Horse	.22	
Winoga	.35	
Young Davidson	.17	
Young Shannon	..	

Week in Wheat

Argentine Production Holding Prices Down

World Trade Fears Coming Crop Bigger Than Anticipated — Wheat Board Steady Selling Regarded as Healthy Factor

From Our Own Correspondent

WINNIPEG.—The wheat market bore up well during the past week under estimates of a possible Argentine crop much larger than recently anticipated. But these estimates are not yet fully accepted. It is generally admitted, however, that recent rains materially improved prospects.

One fact which lends an element of strength to the Canadian market is that the Canadian Wheat Board is believed to have been a fairly steady and substantial seller for several weeks past. The market has come to regard the existence of a large block of wheat under one control as a dangerously bearish factor and every indication is welcomed that Government holdings are being sharply reduced.

Australia seems to have an inclination to press sales and is believed to have sold large quantities to Italy. Reports are insistent that France will soon have to buy hard wheat but actual business so far seems small.

What Is Next Move?

WHAT is to be next significant market factor to emerge as influencing the price of wheat? For weeks past chief importance has been given to the development of southern hemisphere crops, with the Australian crop now made, and the Argentine crop nearly made, about in accordance with expectations. The mere lapse of time now begins to be important, with every passing week seeing a reduction in total world supplies of wheat.

Before the middle of the new calendar year there will be a closer balance of world wheat supplies and world needs than has existed at any time during the past 10 years. If the weight of surplus supplies has been as great a burden on the market as has been generally supposed, the final lifting of that burden may have a greater effect than has yet been discounted in the price structure.

Another factor which analysts are now attempting to relate to the market is the general upward movement of commodity prices, under the influence both of business revival and of currency changes. When wheat prices fell, during the period from 1929 to 1933, the fall paralleled closely the decline which took place during the same period in prices of scores of other basic commodities. Does what has happened to the price of gold mean that currency has been depreciated in terms of gold only or will it prove to have been depreciated also in terms of commodities, including wheat?

* * *

July Rise Significant

BUT outside of general considerations, one new sign relating to wheat conditions mainly now begins to show itself. This is the recent rise, of no great extent as yet, it is true, but nevertheless important, in the price of July wheat in the United States. July is a new crop month there, with new winter wheat in the southwest coming out strongly on the market. July wheat has been trading at a considerable discount under current prices, reflecting the opinion that another crop year would see ample supplies of wheat in the United States for domestic consumption, and possibly an export surplus. Such opinion results, not only from a very large acreage seeded to winter wheat, but from warnings issued by the U. S. Department of Agriculture, which has thus tried, after the failure of other acreage control measures, to check excessive spring wheat seedings.

But there has been some uneasiness over the condition of the winter wheat crop, due to long continued dryness over a large area, and also over poor spring wheat crop prospects, on account of deficient subsoil moisture. Should spring precipitation make up the deficiency, rust may re-emerge as a danger. There has been much conflict in published reports and great difficulty in determining where the weight of opinion lies, but the fact that the market in the July delivery has been gradually moving upward would indicate that opinion is beginning to harden in favor of poor crop prospects.

* * *

U. S. Feed Short

A SHORTER view factor on the bullish side of the picture is furnished by the feed situation in United States. Largely the result of an abnormally short corn crop aggravated by scarce supplies of oats and barley, livestock feed is going to be extremely scarce at least until the first of the new crops mature in 1937. As compared with a year ago, when supplies were none too plentiful, present stock of feed grains is estimated at 25% less per animal. Such a condition in view of the present high cattle and hog prices will undoubtedly result in heavy imports of feed grain by United States and firm prices for them. As all grains are more or less competitive these firm prices are almost sure to be reflected in the wheat market.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1936, making a total distribution of ten per cent for the current year —the Dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of January, 1937, to shareholders of record of the 19th December, 1936.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 13th November, 1936.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend (No. 27) of 25c per share on the No Par Value Common Shares of the Company, issued and outstanding, has been declared payable on the 15th day of December, 1936, to Shareholders of record at the close of business on the 1st day of December, 1936.

By Order of the Board,
I. N. WILSON,
Treasurer.
Calgary, Alberta.
November 19th, 1936.

SISCOE GOLD MINES LIMITED

NOTICE OF DIVIDEND No. 19

NOTICE IS HEREBY GIVEN that a Dividend of Five Cents (5c) a share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable the 15th day of December to shareholders of record at the close of business on the 30th day of November. The stock transfer books of the Company will be closed from December 1st to 15th inclusive, for payment of the said dividend.

By order of the Board,
H. E. GREEN,
Secretary-Treasurer.
Montreal, November 13th, 1936.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 36

The Board of Directors has declared a cash dividend of twenty-five cents (.25) per share, payable on all of the outstanding shares of the company on December 16, 1936, to shareholders of record at the close of business, November 28, 1936.

D. B. GREIG,
Secretary.
Windsor, Ont.,
November 18, 1936.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Obituary

W. N. Toothill, aged 54, president, Toothills (Canada) Ltd., at Winnipeg General Hospital. He established the western printing firm of which he was the head.

DIVIDEND NOTICES

Canada Bread Company Limited

First Preference Shares

Notice is hereby given that a dividend of $1.25 per share has been declared on the First Preference Shares of the Company payable January 2nd, 1937, to shareholders of record at the close of business on December 15th, 1936.

Class B Preference Shares

Notice is hereby given that a dividend of .62½ cents per share has been declared on the Class B Preference Shares of the Company payable January 2nd, 1937, to shareholders of record at the close of business on December 15th, 1936.

By Order of the Board,
W. S. ANTLIFF,
Secretary-Treasurer.
Toronto, Ontario,
November 20th, 1936.

Reno Gold Mines Limited (N.P.L.)

DIVIDEND NOTICE

Notice is hereby given that a dividend of three (3c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the company at the close of business on Thursday, the 10th day of December, 1936, and that the dividend will be payable on or after the 2nd day of January, 1937.

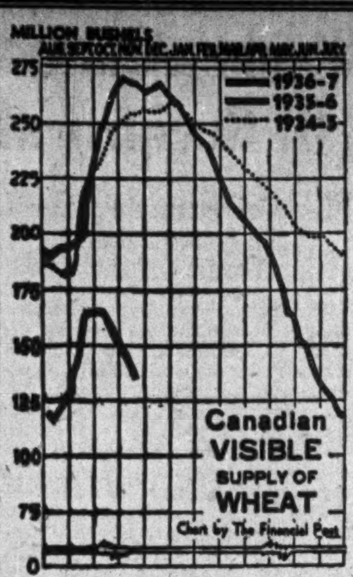
The Register of Transfers will be closed at the close of business on the 10th December, 1936, until the opening of business on the 21st day of December, 1936.

By order of the Board.
W. A. SUTTON,
Secretary-Treasurer.
Vancouver, B.C., November 18, 1936.

The Montreal Cottons Limited

Notice is hereby given that a quarterly dividend of One and Three Quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of December next, to shareholders of record at the close of business on the 30th day of November, 1936.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.
Valleyfield, November 21st, 1936.



DROPPING FAST

Though the slight recent rise of the July option in United States is interpreted in some quarters as advance information of a poor winter wheat crop in that country, apparently wheat exporters in Canada are taking no chances. They are unloading wheat rapidly at present prices.

Last week witnessed over six million bushels in export clearances bringing visible at this season down to the lowest point in many years. Country deliveries of new crop to Nov. 20 are placed by Sanford Evans at 131 million bushels. Searle Grain Co. is now estimating that approximately 45 million bushels yet remains to be marketed by western farmers after making the usual allowances for seed. Absorption of this at the recent delivery rate of from 1.5 to 2.5 million bushels per week and export clearances of from five to six millions per week will easily reduce carryover to under 50 millions by the end of March. However, peak shipments of Argentine and Australian wheats during the winter and early spring months may temporarily delay liquidation of Canadian supplies.

Details in bushels are as follows:

Canadian Visible

Week of Nov. 20	Last Week	Last Year
135,926,000	142,490,000	265,087,000

Export Clearances*

Week of Nov. 20	Last Week	Last Year
6,465,507	5,477,996	5,088,483

*Plus U. S. imports.

Call Conference On Drought Areas

From Our Own Correspondent

OTTAWA.—A conference between the three prairie ministers of agriculture and Hon. J. G. Gardiner, federal minister, to decide on a policy in regard to the worst of the "drought pockets" and inferior lands in the West, is being called to meet here in mid-December. All the provincial ministers of agriculture will be in Ottawa at that time in connection with the marketing conference.

Selective abandonment to ranching of the driest areas, especially those where the soil is light or poor, is to be undertaken as a joint Dominion and provincial undertaking.

Before any supervised abandonment takes place, the Federal Government wishes to have all the available data on soils, local weather conditions, ownership and encumbrances on the land, arrears of taxes, etc.

Melchers Distilleries Pays 50 Cents on Arrears

From Our Own Correspondent

MONTREAL.—Directors of Melchers Distilleries have declared a dividend of 50 cents a share on the class A stock, payable Dec. 15 to shareholders of record Dec. 1, 1936. This payment is on account of arrears in dividends, and is in payment of the quarterly dividend No. 10, which was due for payment on June 15, 1931.

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of

Eight Per Cent Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Saturday, the Second Day of January

next, to Shareholders of record at the close of business on the Fifteenth day of December, 1936.

By order of the Board,
WALTER F. WATKINS,
Secretary.
Toronto, November 18th, 1936.

Plan Reorganization Of Western Agriculture

Would Base Type of Farming on Local Soil and Water Conditions — Push Ranching in Dry Areas

From Our Own Correspondent

REGINA.—The coming conference at Ottawa of provincial ministers of agriculture recalls recent announcements of the federal western agricultural policy. This is based on six main points.

1. Immediate relief contributions.
2. Debt adjustments.
3. Rehabilitation.
4. An economic and debt survey.
5. Land utilization.
6. Marketing.

Make Survey

Hon. James Gardiner, federal minister of agriculture, stated immediate relief was included because he wanted to keep the farmers on their present holdings to discover from them actual experiences on such soil. Such information would be obtained by the economic and debt survey, which Mr. Gardiner stated will not be like anything previously attacked. It will be a door to door canvass as it were of the affected farmers to ascertain necessary first hand information.

Debt adjustment is at present going on and has received impetus with the Saskatchewan Government's announcement of a $75 millions reduction arrangement between the Federal Government, Dominion Mortgage and Investment Association, the municipal Governments and the Provincial Government itself. A similar arrangement has taken place since in Manitoba.

Rehabilitation Going On

Rehabilitation has been going on for considerable time under the department headed by John Vallance in Regina which has charge of all such work in the West. This includes re-grassing, tree planting, and water conservation schemes. The Federal Government has allotted $5 millions for this work and the operations are now in their second year.

Population Shift

The economic and debt survey will provide information which will be of use for land utilization. This plan does not necessarily entail wholesale movement of farmers but will mean shifting of farmers from non-productive soil to productive, thus shifting the burden of debt to soil that will enable the farmer to come out of the red, providing his cultural methods are suitable.

In connection with land utilization Mr. Gardiner is of the opinion a conference should be called when sufficient data is available. This conference would be attended by railways and land companies that have sold lands in the area, mortgage companies that have acquired an interest in such land and municipalities involved through tax sales, etc. Provincial and Federal Government officials would attend also.

New Land Surveys

As a result of such a conference, Mr. Gardiner hopes that farmers can be moved around so that poor land will be vacated and better lands settled upon by farmers so placed they can meet future obligations.

In laying out such districts it may be necessary to have new surveys. Mr. Gardiner intimated the old idea of settling on land as laid out under the section, half section and quarter section idea, may have to be abandoned in some regions and that roads will follow the population and not run across wide spaces where there is no cultivation. In other words he believed the Old World system of having heaths, moors and other wide stretches of roadless and unpopulated regions will have to come to western Canada and that some of the present "settled" country will come in the category. Settlement should follow water and the system of trying to bring water to the populace will have to be reversed.

Boost Cattle Raising

On the subject of marketing, the Federal Government's policy as outlined by Mr. Gardiner includes the scheme now under way of feeding western cattle in the East for shipment to the Old World or the United States. The Government's policy is based on the fact that cattle should always be available in a region located close to seaports so that transportation can be cheap and quick also. Such a policy would maintain western prairies as the source of feeder cattle.

Second item in the marketing policy is, of course, wheat and the Turgeon enquiry to come is the keystone. Findings by the Turgeon commission will be the basis for future policy and as the scope of the enquiry is wide the result will be of interest to all westerners.

United States Corn Failure To Boost Canadian Exports

Not since the famous drought of 1901 has the United States harvested such a poor corn crop as this year. Only a little over 1,500 million bushels was secured as compared with an average of 2,500 million.

The deficiency in this major feed crop will tend to prevent that expansion in livestock which present high prices would normally stimulate. It will probably prolong extensive shipments of both Canadian livestock and feed to United States until at least well into 1937.

It will also tend to stimulate Canadian exports of wheat in the same direction and wheat prices generally, because in the long run all grains are more or less competitive.

The acute shortage in corn cannot be relieved by the other big feed crop, oats, because here again the total yield this year is almost disastrously below average. It is possible, of course, that very large quantities of corn will be imported from the Argentine but cost will be high and supply limited. The latter will not be supplemented by South Africa which had such a failure this year that it voluntarily waived its right to free entry into the Canadian market under the Ottawa agreements. As a result the Canadian tariff of 20 cents per bushel against United States corn has been temporarily lifted.

The United States Department of Agriculture estimates production of its principal crops as follows:

U. S. Farm Crops*
(000's omitted)

	1936	1935	Average 1928-32
Corn	1,526,627	2,291,629	2,553,424
All wheat	627,233	623,444	863,564
Winter wheat	519,097	464,203	622,252
Durum wheat	7,962	22,957	54,020
Other spring wheat	100,174	136,284	187,292
Oats	783,750	1,196,668	1,125,102
Barley	143,916	282,226	281,237
Rye	27,095	58,928	38,212
Flaxseed	6,081	14,123	15,996
Hay, tame, tons	62,968	76,146	69,533
Hay, wild, tons	7,197	11,338	10,719
Potatoes	332,224	387,678	372,115
Tobacco, lb.	1,162,637	1,296,810	1,427,174
Sugar beets, tons	9,505	7,908	8,118

*Figures in bushels unless otherwise specified.

Speed Up Deliveries Of Canadian Wheat Crop

Marketings of wheat from western Canada tend to follow a definite pattern, according to a study of deliveries made by the Food Research Institute of Stamford University. Particularly noticeable is the rapid rate at which the first 56 to 74% of deliveries have been made during each of the past 15 seasons.

During August-January the amounts marketed tend to be directly proportional to the total to be delivered during the season. The percentages delivered weekly depend chiefly on the weather and the stage of completion of the deliveries. The combine is said to have advanced the start of rapid marketing by about 15 days.

Incidentally this season a fair amount of wheat came out in late July, the result of a combination of abnormally early maturity in drought districts and wholesale use of combines.

After the end of January, the rate of delivery, states the Institute, depends chiefly on the quantity which has been held back for deferred marketing, which has varied from 12 to 27% of the seasonal total. The tendency has been to market a definite proportion of this remainder each month. Since 1928-29 there has been a marked trend toward longer postponement of such deliveries as have been delayed until after January.

Ont. Fall Wheat Acreage Estimated 20% Higher

Acreage of fall wheat, practically all grown in Ontario, is estimated by the Dominion Bureau of Statistics at approximately 702,000 this season or an increase of 20% over the 585,000 acres sown in 1935. The condition is described as well above average compared with decidedly below the average a year ago.

Provided the crop comes through the winter in reasonably good condition there is the possibility of a yield of almost 17 million bushels. This would be a decided gain over the very much reduced volumes of the last few years.

Commodity Markets

Price Features

Despite expectation that the quota of rubber exports, set at 70% last month, will be jacked up to 75% if the present demand continues, rubber, along with silk and hides featured advancing commodity prices last week. In part, at least, the higher price is attributed to a favorable report on October consumption in the United States. Consumption for the year is now estimated at 570,000 tons, about 15% above 1935.

The rise in silk reflects conditions in Japan, where price control activities are under way. The movement continues the upward trend apparent since early in September, more particularly in the last month.

Greater demand is considered the explanation of the trend in hide prices. European armament campaigns include clothing for soldiers, not the least important item being shoes. Consequently, a number of countries which normally export leather are reported to have drastically cut down on shipments. Some have been converted into importers of leather. The natural effect is to restrict supplies elsewhere, and buoy up prices.

* * *

Iron and Steel Outlook

Pig iron dealers are expecting an increase in prices almost daily. While it is likely that any advance will be effective from Jan. 1, 1937, notice will probably be given considerably before that date.

Those in the trade are also anticipating higher prices for finished steel. This may take effect in the very near future, according to informed opinion. Many believe that a price increase in steel is overdue. In the United States there have been two increases while Canadians have stood pat. It is contended that, although there has been some increase in demand, the most important factor pointing to a price rise is the greater cost of primary materials—scrap iron, for instance—and higher wage levels.

* * *

Advance in Raw Materials

Indicative of the rising price trend among important raw materials is a compilation prepared by the statistical department of the New York Commodity Exchange. Expressing current prices as a percentage of their depression lows it is found that rubber has advanced 588%, hides 233%, tin 184%, copper 151% and silk 73%.

* * *

Farm Products Rise

Pointing out that prices of Canadian farm products rose more than three times as much, relatively speaking, than those of manufactured goods this summer, the Bank of Nova Scotia Monthly Review observes that the unfavorable spread between the prices of the goods the farmer buys and those of the products he sells, has nearly been eliminated. The latest figure published by the Dominion Bureau of Statistics places the index of farm prices at 75% of the 1926 level; that of manufactured goods is 75.4%.

"This does not mean, unfortunately, that the purchasing power of Canadian farmers has been restored to satisfactory levels," states the Review, "for the volume of the wheat and feed crops has been sharply reduced. Indeed the wheat crop was the smallest in 17 years. Nevertheless, owing to higher prices and better quality, returns from the present harvest are likely to be slightly larger than those of last year."

* * *

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$5.85	$5.50	$6.10
Hogs	8.25	8.00	8.60
Copper, lb.	.10½	.10½	.09¼
Cotton, lb.	.1222	.1218	.1225
Rubber, lb.	.1818	.1788	.1306
Sugar, raw. lb.	.0365	.0367	.0340
Silk, lb.	2.22	2.10	2.06
Wheat (Man.) bus.	1.07¾	1.09	.88½
Coffee, lb.	.08⅝	.08½	.06⅝
Hides	.13¼	.12¾	.11
Weekly Indices			
N. Y. Annalist	129.4	129.3	128.5
Fishers'	86.1	85.3	84.3
N. Y. Journal of Comm.	83.2	83.1	82.1
Crumps (Brit.)	74.0	73.7	68.6
U. S. Labor	81.3	81.2	80.1
Canada (D.B.S.)	76.8	76.8	72.6

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Oct.)	81.5	81.5	80.3
W'sale (Oct.)	77.1	76.4	73.1
U. S. Labor (Aug.)	81.6	80.5	80.5
Gt. Brit. (Aug.)	83.4	82.0	77.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York; Hogs — select bacons, Toronto.

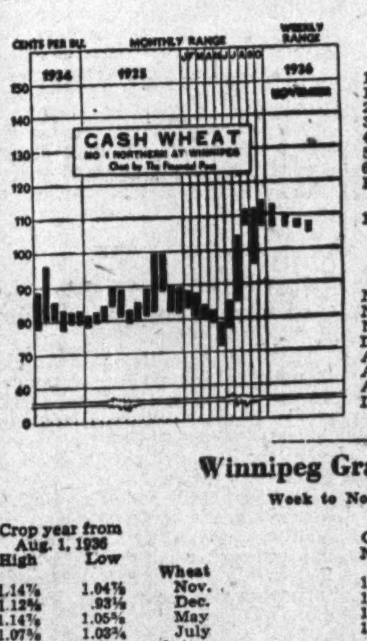
C. S. L. Reorganization Plan Available Shortly

From Our Own Correspondent

MONTREAL.—Official plan of reorganization for Canada Steamship Lines will be mailed to bondholders and other interested parties toward the end of this week. The scheme, which has been put forward by the company and approved by the bondholders' protective committee, provides for the writing down of funded debt and interest charges along the lines already reported.

Meanwhile the committee is seeking deposit of further bonds. Failing that the holders have been asked to register their names with the committee so that they can be kept fully informed of developments.

Wheat Prices



(Cash Quotations)

	For Week Nov. 24 High	For Week Nov. 24 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.09⅞	1.08⅝	1.11½	1.08⅝
1 Northern	1.08¾	1.07⅝	1.09	1.07⅝
2 Northern	1.08	1.06⅝	1.08	1.06
3 Northern	1.05⅛	1.03⅝	1.05¼	1.03⅝
4 Northern	1.02⅛	.99⅝	1.02¾	1.01⅛
5 Wheat	.97⅞	.94⅝	.98	.96⅝
6 Wheat	.93⅞	.91⅝	.94	.91⅝
Feed Wheat	.75⅛	.74⅝	.78	.74⅝
Vancouver: Week to Nov. 23:				
1 Northern	1.08½	1.06¾	1.09¼	1.07⅛

Competitive Export Prices:
Nov. shipment.

Week to Nov. 21

	High	Low
No. 1 North. (Vanc.)	1.25	1.23⅞
No. 2 North. (Atlan.)	1.23½	1.23⅛
No. 2 North. (Vanc.)	unquoted	
Danubian	1.07⅛	1.07⅛
Australian (afloat)	1.21¼	1.18⅞
Australian▲	1.18⅛	1.16½
Argentine Rosafe†	1.06¾	1.05⅝
Indian (choice Karachi)	1.17⅜	1.15⅝

†Jan.-Feb. ▲Dec.

Winnipeg Grain Futures

Week to Nov. 24, 1936

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open Nov. 18	High for week	Low for week	Close Nov. 24
		Wheat				
1.14⅞	1.04⅞	Nov.	1.09¼	1.09⅞	1.07⅛	1.07⅜
1.12⅝	.93⅛	Dec.	1.06¾	1.07⅝	1.04⅞	1.05⅝
1.14⅞	1.05⅝	May	1.08⅝	1.09⅛	1.06½	1.07⅛
1.07⅝	1.03¾	July	1.04⅛	1.07⅝	1.05⅝	1.06
		Oats				
.46⅞	.42¾	Nov.	.46⅜	.46⅝	.45	.45¾
.48¼	.41¼	Dec.	.45⅝	.45⅞	.44⅝	.44¾
.48¾	.42¼	May	.45¾	.46¼	.44¾	.45¼
.45⅛	.43⅝	July	.44⅝	.45⅛	.43¾	.44
		Barley				
.63⅞	.55⅛	Nov.	.62⅞	.63⅛	.61½	.63
.63¼	.50¼	Dec.	.63¼	.62½	.60¼	.61¾
.61⅞	.50⅞	May	.60	.60⅝	.58½	.59⅛
.59	.56¾	July	.58⅝	.59	.57¼	.57¼
		Flax				
1.63	1.58	Nov.	1.63	1.63	1.58	1.58
1.88	1.58	Dec.	1.62½	1.63	1.58	1.58
1.75¾	1.62	May	1.65½	1.66½	1.62	1.62
		Rye				
.80½	.66⅞	Nov.	.....	.80½	.78	.79¾
.80⅝	.61¾	Dec.	.78⅝	.80⅝	.78¾	.79⅛
.79⅝	.63⅝	May	.77⅝	.79⅝	.75⅛	.79

Robin Hood Flour
Robin Hood Oats
Robin Hood Mills Limited
MILLS AT
MOOSE JAW
SASKATOON
CALGARY
SALES OFFICES
EDMONTON - VANCOUVER
WINNIPEG - FORT WILLIAM
TORONTO - SAINT JOHN
MONCTON - QUEBEC
MONTREAL

GRAIN MERCHANTS In World Trade
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada
EST. 1857
SHIPPERS & EXPORTERS
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA
MONTREAL MOOSE JAW
VANCOUVER SASKATOON
TORONTO CALGARY
KINGSTON EDMONTON

TORONTO ELEVATORS LIMITED
Capacity:
Toronto, 4 Million Bushels
Sarnia, 3 Million Bushels
The most modern facilities for the storage and transfer of grains, for grain conditioning, and for the production of MASTER FEEDS for Livestock and Poultry. MASTER FEEDS are endorsed and recommended by leaders in the livestock industry of Canada.
Toronto Elevators Ltd.
also Owning and Operating
The Sarnia Elevator Co. Ltd.
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NORRIS GRAIN COMPANY
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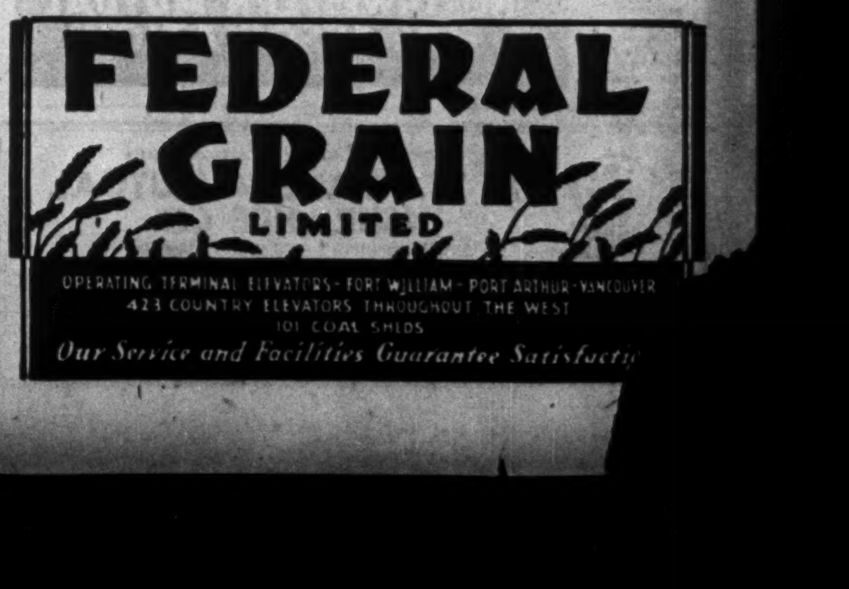
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Dividend Scale Of Crown Life Changed Dec. 1

Ordinary Policies to Get Higher Rate—Aetna Unchanged

1937 PROSPECTS

Crown Life Insurance Co. will put into effect a new scale of dividend payments to policyholders effective Dec. 1.

The new rate is due to a readjustment of dividend distribution based on the assumption of lower interest rates. It does not, therefore, apply evenly throughout all types of policies.

Little change is shown in the new scale for endowment and other policies where investment plays an important role. On ordinary life and similar contracts the new rates show a considerable increase over previous dividends.

Aetna Life Unchanged

Another policy dividend announcement last week is that of Aetna Life. Dividends to participating holders in that company will be paid for 1937 on the same scale as in 1936.

Also the rate of interest allowed on policy proceeds and monies left on deposit will be continued at 3½% the same as allowed in 1936.

Prospects Not Favorable

Generally speaking prospects for increased or maintained dividends during 1937 are not considered favorable. On the investment side many firms are concerned about the mortgage situation, particularly in Western Canada. In some cases, plans already proposed or put into effect will necessitate further writing down of assets, and shrinkage of income.

In respect of mortality, companies generally are reported to have experienced higher liabilities than for several years, particularly on middle-aged policyholders. Mortality for younger and older risks is reported somewhat better.

One explanation of this mortality situation is that increasing care and widened use of medical knowledge has brought many people through to middle life, who, in earlier periods, might have died at comparatively young ages. Such people, on reaching middle life, particularly in periods of difficulty such as have been experienced of late, are peculiarly vulnerable to degenerative diseases.

Interest and Expenses

In respect of interest earnings generally, company executives for the most part are inclined to feel that the low point in interest rates has been reached. However, even if interest rates do turn upward it will be many years before this change will have its effect on the earned rate of interest on the entire list of investments.

In respect of expenses, some companies are also faced with some increase. For one thing, business of late has been acquired by means of a larger number of smaller policies. This has had the effect of increasing costs somewhat. Then, too, many companies wrote general expenses down to a bare minimum during the past few years and the tendency now is to restore and expand rather than to continue the pressure of the past few years.

Eastern Trust Offices Are Opened in Toronto

New offices are being opened in Toronto by Eastern Trust Co., with H. C. Oxley as manager of the Toronto branch. Resident director of the company in Toronto is Hon. W. D. Ross, former lieutenant-governor of Ontario.

Development of Eastern Trust's business in the Toronto area has necessitated the move, officials explain, and all departments of trust company operations will be carried on. Corporate trust work, stock transfers, registrarships, deeds of trust for bond issues and allied phases of trust company services are expected to provide the bulk of the company's business in Toronto. The company has been active in Montreal for many years.

Insurance Inklings

C. W. ADAMSON, inspector for Sask. for the Pearl Assurance Co. has also been appointed Man. inspector with offices in the Somerset Block, Winnipeg.

C. H. CARPENTER, branch manager at Los Angeles, Calif., for Canada Life has been appointed superintendent for the State of California.

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TORONTO

Does your Fire Insurance PAY DIVIDENDS?

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Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Kelowna
Victoria
Vancouver

Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to $1,098,428. Ask our nearest office for particulars.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE LIABILITY DOCTORS' AND DENTISTS' LIABILITY PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Moncton, N.B.

Another U. of T. Graduate Rises to Insurance Fame

When the American life convention elected T. A. Phillips their new president last month, they chose a Canadian, born at Arthur, Ont., in 1881, and a graduate of Toronto University.

In commenting on his appointment, Eastern Underwriter points out that Mr. Phillips graduated in 1905 with honors in the department of Mathematics and Physics. From the same course and university a number of men well known in the life insurance world have also graduated. They include John S. Thompson, vice-president and mathematician, Mutual Benefit Life; John M. Laing, actuary, Mutual Life of Canada, and the late A. G. ("Gar") Portch, Lafayette Life, formerly president of the American Institute of Actuaries.

John G. Parker, general manager and actuary, Imperial Life, was in the class ahead of Mr. Phillips, and actually taught Mr. Phillips when he returned to the university as a lecturer. Another U. of T. graduate is Robert Henderson, retired vice-president and actuary of the Equitable Society.

From Toronto, Mr. Phillips went to the New York Life under Dr. Arthur Hunter, vice-president and chief actuary. In 1909 he joined the Minnesota Mutual as secretary and actuary.

Royal-Liverpool Head

R. Forster Smith Manages Largest Fire Insurance Groups in Canada

—Photo by Lyonde, Toronto.
R. FORSTER SMITH

To head their Canadian organization, the Royal-Liverpool group of insurance companies have chosen a man whom those who know him best describe as "a typical English gentleman."

Modest to a fault, unassuming, R. Forster Smith is one of the most influential and at the same time one of the least conspicuous, figures in the Canadian insurance field. He is the antithesis of the popular conception of a domineering, brow-beating executive. Yet his work is none the less effective.

Colloquially, "he indulges in no window dressing, but he has the goods." Those who have been closest to him in his business life, know little of him except that he is a shrewd insurance man, endowed with a generous measure of ordinary common sense. He rarely speaks for himself. He rarely has pictures taken. That appearing on this page, which he was persuaded to have taken only after demands by various insurance publications, is his first photograph in the last 14 years.

His surname is Smith—and Smith only. His friends call him Forster which he usually tacks on to his surname to distinguish him from the other varieties of Smith. The R. is for Radcliffe—seldom used.

Steady Advance

The story of his business career is not particularly glamorous. But it does present a picture of steady progress from junior to general manager. Insurance has been his first and only business love. He joined the Lancashire Insurance Co. back in 1895, fresh from the private schools of his home town, Manchester. Choice of this particular profession was not dictated by any innate affection for the business, although he has never regretted his decision. His father, an architect, was a close friend of the late D. B. Johnston, then manager of the Lancashire, and obtained a post for his son.

Joins Royal

When the Lancashire was taken over by the Royal, six years after Mr. Smith had joined the staff, he was transferred to head office of the latter company at Liverpool. A year later, he visioned greater opportunity and wider experience with the Railway Passengers Insurance Co., with whom he obtained both office and selling training, particularly along casualty lines.

Next step was to the Phoenix as Liverpool inspector, when that company entered the casualty field. Again in 1908 he shifted allegiance, this time to the Liverpool and London and Globe, with whom he became inspector for the casualty department at head office. He has been with that company ever since, advancing to city inspector for all classes of insurance, to head of the inspectors' department, to manage the Cotton Exchange branch, and for a 10-year spell to be manager at Lincoln.

To Canada in 1923

In 1923 he began the second phase of his business career under entirely different conditions. In March of that year he was transferred to Montreal as assistant manager for Canada, following retirement of J. Gardner Thompson. Six years later he was moved to Toronto as local manager of the Liverpool and London and Globe. His appointment, effective Dec. 1, 1936, is to be Canadian manager for both the Liverpool and London and Globe and the Royal groups.

Despite his retiring nature, or perhaps because of it, Mr. Smith is full of surprising qualities. And these are not restricted to business activities. He takes a particularly keen interest in sport. For the most part this interest is now confined to the sidelines, although he plays a game of golf which is described as "dubious."

Lacrosse Enthusiast

In the good old days, however, he was a very active participant in many lines of sport. In addition to the traditionally English games of cricket, tennis, etc., Mr. Smith gave early evidence of his interest in things Canadian by taking wholeheartedly to lacrosse. Generally considered a Canadian pastime, lacrosse found an enthusiastic reception in England about the turn of the century, especially about Manchester.

In track, too, he demonstrated marked ability. Apart from his business prowess altogether, he soon justified J. B. Johnston's judgment by twice winning the trophy the latter put up for quarter mile competition.

Mr. Smith's main diversion, apart from golf, is travelling. He makes an annual jaunt by automobile, generally to the Atlantic coast. He is a member of the Toronto National Club, York Downs Golf Club, and the Toronto Board of Trade, and is honorary librarian of the Toronto Insurance Institute.

Variety of Coverage

In his 40 years of insurance experience, Mr. Smith has witnessed some notable changes in the insurance business. Perhaps most important has been the extension of the business to include varied coverages.

More Comprehensive Policies

A trend which is rapidly coming to the fore is one to more comprehensive cover, he feels. As an instance, "the personal property floater," by which policy a number of contingencies, fire, burglary, etc., are insured, is currently a matter of considerable attention.

Insofar as Canada in particular is concerned, Mr. Smith sees great possibilities, although there are definite obstacles to be met. Perhaps most important of these is the number of companies in the insurance business. In a period of low premium income, excessive competition can be unusually dangerous.

Canadian insurance practice, Mr. Smith contends, tends more to the United States methods than to those of Great Britain. Particularly is this so in respect to Government supervision. To a large degree, business in the Old Country is unfettered by Government regulation. Companies are allowed practically a free hand. Canada verges more to the United States at the other extreme.

Regulation Should Be Limited

Need for Government supervision is greater in Canada, Mr. Smith admits. Conditions here are different, particularly in respect to the number of outside companies transacting business. He very definitely feels, however, that there is a limit to the efficacy of Government regulation; that a substantial measure of freedom will work to the good, not only of the companies themselves, but of the insuring public.

In taking over the Canadian management reins of the Royal-Liverpool group, Mr. Smith will be entrusted with handling the business of the largest fire insurance underwriters in the Dominion. The groups comprise 10 companies. In the Royal group are: Royal Insurance Co.; Pioneer Insurance Co.; Queen Insurance Co. of America; Hudson Bay Insurance Co.; and the Newark Fire Insurance Co. The Liverpool and London and Globe, in addition to the company bearing that name, includes the Central Insurance Co.; Globe Indemnity; Liverpool-Manitoba; and National-Liverpool.

Premium Volume High

Last year, the Royal group wrote net fire insurance premiums of $2,264,210, according to figures of the federal department of insurance. This was substantially more than any other company, or group of companies, transacting fire insurance in Canada. The Liverpool and London and Globe was fifth in line with $1,470,520. Combined, the premium income of the two groups was more than double the second largest group.

Despite the size of premium income, one is apt to underestimate the volume of business done by the groups if this figure alone is considered. A more comprehensive picture is afforded by taking the insured value of properties protected. At the end of 1935 the Royal-Liverpool companies had net fire insurance business in force in the Dominion of almost $875 millions.

To succeed Mr. Smith, F. S. McDermott, at present casualty superintendent at Toronto, has been appointed Toronto manager of the Liverpool and London and Globe group. H. L. Wiglesworth, of the Montreal office, is being transferred to Toronto as assistant manager.

Show Earnings Of Key Agents $2,945 Yearly

Confederation Life Analyzes First-year Agency Commissions

AGENCY PROBLEMS

That earnings of the company's "crack" underwriters average $2,945 annually in respect of first year business was disclosed by Charles D. Devlin, general superintendent of agencies, Confederation Life Association, at the annual meeting of the Association of Life Agency Officers held recently in Chicago.

"We divide our production clubs into four groupings," said Mr. Devlin. "In the Macdonald Club there are two divisions; class A for those who write a minimum of $200,000 of new business and class B where the minimum is $100,000. Analysis of the average individual first year earnings of the club members on ordinary business shows the first group average $2,945 annually and the second group $1,578.

"In our Confederation Club there are also two classes, namely those who write a minimum of $75,000 business annually (class A); and those with a minimum of $50,000 (class B.) Taking first year earnings only, on the same basis as above we find class A underwriters in this club earned on the average of $1,031 and class B members, $711.

First Year Commission

"Another interesting comparison shows that the average first year commissions per $1,000, on ordinary business earned by these four groups of producers is as follows: Macdonald Club, class A, $15.10; class B, $14.25. Confederation Club, class A, $14.10; class B, $13.30. This would seem to indicate that the better the producer the higher the type of business he is likely to sell, also that he is prospecting among the better incomes.

"With regard to production, we find that 95% of these club members produced business within the first three months of their engagement with us; 4% produced business by the end of six months, and the remaining 1% produced within the year, but after the six months' period. These figures confirm information which had been previously furnished to us by the Research Bureau, with respect to the production, during the first three months, being the indicator of future success.

Cost of Financing Agents

"Financing of new representatives and old representatives is a problem, and we are forced to admit that we have losses, but, in recent years, our losses have been considerably reduced. The additional cost per $1,000 of paid-for business in Canada, on account of financing during 1933, 1934 and 1935, was 26 cents. All advances in Canada are made from our head office in Toronto, with the exception that, in an individual case, a manager is occasionally authorized to advance a cheque from the branch office. But control lies in our head office.

"Special advances are frequently made against issued business on a formula of 150% of cash received, not to exceed, however, 75% of the first year commission. The branch office furnishes special statements when requisitioning for advances of this type.

"Fifty-three percent of the club members in 1935 did not require any financing; of the remaining 47%, 21% were financed during the entire year, 14% were financed for three months only, 5% were financed between the fourth and sixth months only, and 7% were financed between the sixth and twelfth months only. The figures indicate that approximately one-half were financed and one-half were not financed.

Net Gain in Business

"Net gain in years gone by, considered as a true measure of progress, has since 1931, become a problem. During the 25 years ending 1935, our average ratio of gain in business in force to paid-for new business production was 40%. Taking out of this period what is known as the 'depression years,' 1931 to 1935 inclusive, the average rate of gain during these five years was only 3½%. In 1931, 1932 and 1933 we show losses in business in force. In 1934, our ratio of gain was 9%, in 1935 it was 23%, and, for the first eight months of 1936, the ratio of gain was 27%.

"We believe that representatives should make money; we believe that the future development of the life insurance business rests upon a staff of salesmen earning sufficient income to enable them to take their place in the community in which they live. We are endeavoring, through our managers, to have our men write higher premium business and write larger average size policies. We have adopted the persistency rating chart in connection with our underwriting, and we are endeavoring to train a staff of men who will be successful and remain with us over a long period of years."

Suggest Classification of Comprehensive Policy

The joint committee on definition of underwriting powers, appointed by the Association of Superintendents of Insurance, has recommended that the "personal property floater" policy be classified as inland transportation insurance.

Approval of the policy in principle has been given by Quebec, Ontario, Manitoba and Alberta. In effect it is a comprehensive policy covering household risks: Fire, burglary (residence theft), explosion, weather, etc.

Atlas Assurance Names Manitoba General Agents

The Atlas Assurance Co. has appointed Osler, Hammond and Nanton, Ltd., general agents for Manitoba, effective Jan. 1, 1937. The branch, which is now at Winnipeg, will continue for a few months next year to facilitate the transfer and will then be closed.

Insurance Problems

I would appreciate very much any information you can supply in regard to the Commercial Travellers Mutual Accident Association of America, with headquarters at 140 Wellington St., Ottawa. Is it a reliable company with which to insure, and how do its rates compare with those of other companies?

—

Commercial Travellers Mutual Accident Association of America was granted a federal license as a fraternal benefit society early in 1934. In the United States, the association offers both accident and health insurance. In Canada, operations are confined to accident business. Two policies are issued, identical except that one is termed a double benefit and, for exactly double the cost, offers proportionately larger benefits.

Entrance fee of the association is $2 for a single benefit plus an assessment according to the policy, not exceeding $3 for a single benefit and $6 for double benefits. In the first two years of the company's operation in Canada membership increases of 19% and 10% respectively were recorded.

All applicants for insurance must become members of the association by paying the entrance fee and annual dues. Business is written on an assessment basis, which means, of course, that members are liable to pay any assessment dues levied from time to time. Membership is about the 210,000 mark, roughly 2,500 in Canada.

Although the name of the association implies that it was originally organized among commercial travlers, articles of the association contain no limitations, and apparently anyone between the ages of 55 and 18 who is rated as a preferred insurance risk is eligible for membership. The association reports that of total income of more than $55 millions in this organization, almost 80% has been paid back to members in claims.

According to latest available figures, the company has total assets in Canada of $52,100, practically the entire amount in cash and bonds. Liabilities amount to $7,938. Underwriting experience in 1935 is reported satisfactory, with income from members exceeding claims by a moderate margin. The company has on deposit with the Receiver-General at Ottawa $22,000 to cover its obligations in this country. Assets of the company as a whole are $2,292,000—a surplus over all liabilities of $738,702.

A comparison of rates as charged by the association with those of other companies is made difficult because of difference in the type of policies, the period for which benefits are payable and the inclusion of medical expenses in most other policies. In general, however, it may be said that its rates are lower. We have heard of no complaints in respect to claim settlements and as far as we are aware, the company enjoys a good reputation.

Probe Affairs Of Reciprocal

Missouri Dept. in Charge of Lumbermen's Underwriters

The federal insurance department plans no immediate action in respect to Manufacturing Lumbermen's Underwriters, pending a further report from the Missouri department of insurance, The Financial Post is advised.

Following complaints from subscribers of the Manufacturing Lumbermen's, a reciprocal insurance exchange, and withdrawal of its license in four states of the American union on rumors regarding solvency, its affairs have been placed temporarily in the hands of R. E. O'Malley, superintendent of insurance for Missouri. Head office of the exchange is in Kansas City.

Heavy 1936 Losses

According to a report by Alfred M. Best Co., recent operations of the exchange have resulted in a heavy underwriting loss and a substantial reduction of surplus previously built up.

The report states in part: "The management informs us that during the first nine months of 1936, the ratio of losses incurred to premiums earned was 81.9% on the lumber business; 86.6% on general business on earned premiums of $675,892; 90.1% on automobile earned premiums of $31,410; and 127.4% on cargo business on earned premiums of $183,645. These heavy losses, coupled with the high expenses on business other than lumber risks, plus the withdrawal of $115,630 of accumulated savings by subscribers during the first nine months of this year, reduced the surplus from $1,530,115 at the end of 1935 to $813,220 on Sept. 30, 1936, a shrinkage of $716,895."

It is understood that business will be continued as usual except that no new business will be written. Officers of the Rankin-Benedict Underwriting Co. (attorney-in-fact for the reciprocal) have assured the Missouri insurance superintendent that the exchange is solvent.

The reciprocal had net admitted assets in Canada at Dec. 31, 1935, of $279,640, of which $163,080 was of deposit with the receiver general at Ottawa. Net premiums written in the Dominion in 1935 totalled $131,768; losses are shown at $30,712. Canadian business in force at the year end amounted to $9,664,791.

Increases Issue Price

Appreciation in the equity value of Corporate Investors Ltd. shares this year has caused an advance from $7.75 to $8 per share in the issue price of the capital stock, officials of the company announced this week. The increase is effective from Nov. 20, but shareholders have been given a two-weeks extension of the effective date.

Shares were originally offered at $5.50 each and that price remained in effect until April, 1934. The latest increase is the ninth since operations commenced and the fourth this year.

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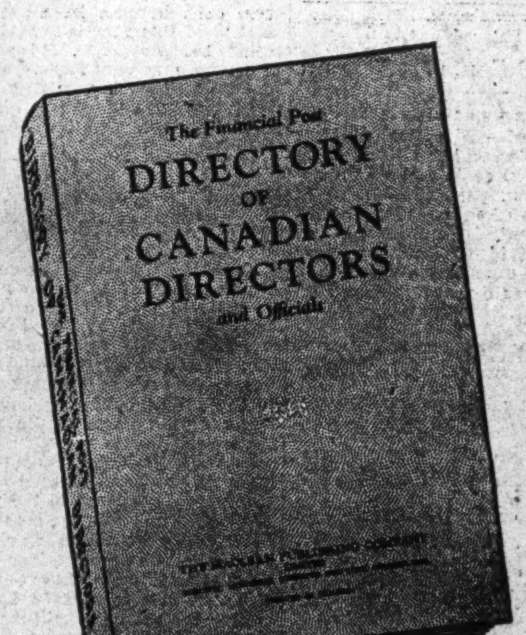
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The only publication of its kind in the Dominion, this famous "bluebook" comprises an invaluable record of those men who have created and built up Canadian business institutions — men who have great influence and buying power.

The Directors of public Canadian companies are alphabetically listed, with their names, initials, business addresses, home addresses in most cases, and a list of the companies with which each is associated. Officials, such as vice-presidents, general managers and secretary-treasurers, who are not sitting on boards of directors, also are listed, with their names, initials, positions occupied and business addresses.

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Every Canadian Director — to give all the business connections of other directors with whom a director must meet from time to time.

Banks, Trust Companies, Financial Houses — to look up a man's importance and connections in a business way, as a guide in granting credit and for other purposes. These men buy annually millions of dollars worth of stocks and bonds, life insurance, etc.

Chartered Accountants and Auditors — to supply an independent record of other directorates held by directors of any company being audited.

Manufacturing Firms — this list is a cross section of the men of wealth in Canada — men who live in fine homes, drive expensive cars, travel and have the means to gratify their tastes. These men not only have a high standard of living but have huge purchasing power for the companies they direct.

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Bank Chat

Repair Loans

LOANS made under the home improvement plan are hanging fire, according to returns submitted to head offices of the banks. Some have been made, of course, but volume is still something to look forward to.

A more definite summary of developments thus far will soon be in the hands of the Federal Government. An analysis of business done up to Nov. 13 will be submitted as soon as reports of lending up to that date have filtered through and a summary can be recorded.

Meanwhile, another agency has entered the field. Heating and Plumbing Finance, Ltd., an affiliate of Standard Sanitary Mfg. Co. and Dominion Radiator Co., has been authorized to lend under the same conditions and at the same rate as the banks. It is believed this organization will operate through the wholesaler, who will be urged to sell the plan to contractors, who in turn will have to persuade home owners that repairs should be made.

Mortgage lending institutions will not enter into the scheme. By charter, they are forbidden to lend against notes. Whether some means could be devised to get around this provision enabling those companies who wished to participate in the home improvement loans to do so, was discussed recently at Ottawa. The decision was that they should remain within their charter powers.

• • •

Christmas Clubs

SOME $355 millions are currently being distributed to Christmas Club members in the United States. The average amount which members will receive is placed at about $46. Strangely enough, despite the name of the organization, less than half, 42%, of accumulated funds are used for purchase of Christmas presents. One quarter represents permanent saving, and the remaining 33% will be used for such purposes as paying taxes, insurance premiums and other year-end commitments.

The Christmas Club idea has not caught on very strongly in Canada. The number of clubs is probably not more than 10. Most of them are operated by the Imperial Bank, whose half dozen branches where clubs are operated pay out sums varying from a few thousands to $100,000. There has been an increase, however, in both membership and deposits of the Canadian ventures.

Under the Canadian plan, a member begins to save for Christmas a year ahead, making weekly deposits of a specified amount. The members sign an agreement that the funds will not be withdrawn before the following Christmas shopping season, but managers are apt to disregard this agreement in the event of an emergency.

• • •

Public Relations

RECENTLY, the American Bankers' Association issued a "Statement of Principles of Commercial Banking," an admirable effort to summarize the fundamental relationships and responsibilities which exist between the commercial bank and the public. It would seem only logical that before a proper understanding between the banks and the public can be attained, the latter should be enlightened in respect to those principles essential to sound banking practice.

Contending that the bed rock upon which every policy and action of commercial banking should be founded is the principle of stewardship, the statement names five different groups to which a commercial bank is responsible. They are:

"The depositors, whose funds the bank holds.

"The borrowers, to whom it has advanced credit.

"The stockholders, whose money provides the bank's capital.

"The community served by the bank, which will benefit by the soundness and capable management of the institution.

"The officers and employees of the bank."

• • •

Banking Briefs

THE bank which eventually became the State Bank of Sweden celebrates its 280th anniversary on Nov. 30. Modelled along the lines of Dutch banks, the Palmstruchska Bank, as it was first known, came into being in 1656. Five years later, it made history by issuing bank notes, the first European bank to use credit money bills not fully covered by metallic reserves.

• • •

An amusing story of Sir John Aird, one of the Dominion's best known bankers, is related in the current issue of the Canadian Banker. Back in the '60's, most of Toronto's 45,000 people turned out to view a parade of the various units of the garrison on a 24th of May celebration. So intent were they on the military that none noticed a small boy of seven and a half years slip up behind the rear line of soldiers and cut a nice selection of brass buttons off their coat tails to add to his collection of regimental badges. It is one of Sir John's first recorded acts.

An Announcement:

THE
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Established 1860

Published in London, England, which has the largest net sale of any weekly financial newspaper, is publishing a special

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Higher Earnings Offset By Heavier Appropriations

GREATER LIQUIDITY

Slightly higher net earnings, net profit practically unchanged and a small addition to surplus, summarize the operating experience of the Imperial Bank of Canada in the financial year ended Oct. 31, 1936.

As was anticipated, reduced revenue from commercial lending during the year was balanced by greater investment income and lower outlay for interest on deposits.

First of the chartered banks to present its 1936 statement, the Imperial Bank reports net earnings for the year, after appropriation of an unstated amount to contingency reserves, of $1,331,287, compared with $1,299,698 in the previous year. Taxes at $285,974 are approximately $5,000 under the 1935 figure, but this saving is more than offset by heavier transfers to pension and officers guarantee funds. Resultant net profit is shown at $962,813 as against $961,467 a year ago.

Per Share Earnings

In terms of earnings per share, this profit is equivalent to $13.75 on the 70,000 shares of capital stock outstanding. Dividends of $10 a share were paid in both 1936 and 1935, and an equal amount, $250,000, written off bank premises in both years. Surplus this year is thus shown at $12,813, compared with $11,467, bringing the balance carried forward to $620,055.

Comparative figures in income and surplus account are as follows:

Years Ended Oct. 31

	1936 $	1935 $
Net earnings*	1,331,287	1,299,698
Less: Dom. & other taxes	285,974	199,112
Provincial taxes		91,619
Staff pension fund..	82,500	7,500
Officers guar. fund..		40,000
Net profit	962,813	961,467
Less appropriations:		
Dividends	700,000	700,000
Written off premises	250,000	250,000
Surplus for year	12,813	11,467
Add: Prev. surplus	607,242	595,775
Balance forward	620,055	607,242

*After appropriation to contingent accounts from which full appropriation has been made for bad and doubtful debts.

Liquid Position Strengthened

The bank's balance sheet is featured by a marked improvement in liquid position. Shrinkage of commercial loans from $60.6 millions to $50.2 millions was reflected in larger security holdings. While less lucrative from an earnings standpoint, this naturally had the effect of substantially strengthening financial position.

The increase in total assets of $8 millions to $150.5 millions represents almost entirely the margin by which increased investments exceed the reduction in loans. The gain in securities was confined largely to government issues, with short term issues showing greatest relative advance. Longer term issues, those with maturities in excess of two years, registered a greater actual increase, advancing $10 millions to $38.1 millions.

Grain Loans Lower

The decline of $10 millions in commercial loans is believed to be attributable almost entirely to liquidation of grain advances. Call loans, reflecting activity on security markets, totalled $7.8 millions at the year end, about 40% above the 1935 figure. Loans to provinces are practically unchanged; those to municipalities at $6.6 millions, have advanced about $900,000.

Increased in public deposits, the outstanding change among liabilities, was entirely in non-interest bearing deposits. Savings accounts were actually $2 millions lower at $86.5 millions. Elimination of interest on current accounts early in 1936 is largely responsible for the rise in "no-interest" accounts, from $22.3 millions in 1935 to $33.2 millions.

Further reduction in the amount of notes in circulation is in line with provisions of the Bank Act following establishment of the Bank of Canada. Imperial's circulation at the close of the year was $6.1 millions compared with $6.7 millions at Oct. 31, 1935.

General Statement
As at Oct. 31

Assets	1936 $	1935 $
Gold in Canada	766	417
Subsid. coin in Can.	356,506	378,182
Bk. of Can. notes	5,467,079	4,264,915
Bk. of Can. depos	4,139,835	7,066,631
	9,964,188	11,710,145
Can. bank notes	310,090	296,730
Cheques other bks	5,450,639	6,063,225
Foreign currency	82,601	57,468
Due by Can. banks	619,305	613,155
Due by bks. abroad	3,907,509	2,563,155
Call loans in Can	7,774,151	5,534,230
	18,144,295	15,127,887
Govt. secs.:*		
Matur. in 2 years	9,424,887	1,280,379
Other	38,070,448	28,117,493
Can. munic. secs.*	3,857,865	4,907,569
Other securities*	235,650	126,584
	51,588,850	34,432,025
Total quick assets	79,697,333	61,270,057
Can. current loans	50,217,640	60,640,424
Loans to provinces	5,700,058	5,712,459
Loans to munic., etc.	6,566,145	5,639,163
Non-current loans	258,374	265,501
	62,742,217	72,257,547
Bank premises	6,000,000	6,000,000
Other real estate	281,898	283,764
Real est. mtges	352,966	419,451
Letters of credit	871,174	1,351,932
Dep. re circ. fund	484,537	470,425
Other assets	117,136	152,702
	8,107,711	8,878,274
	150,547,261	142,405,878
Liabilities		
To the Public		
Notes in circulation	6,110,865	6,689,770
Govt. deposits:		
Dominion	1,762,584	862,116
Provincial	3,112,302	2,799,195
Deposits by public:		
Non-int. bearing	33,195,560	22,339,592
Interest bearing	86,546,473	86,673,699
	130,727,584	121,364,372
To bks abroad, etc.: United Kingdom Foreign	1,682,774	1,988,001
Letters of credit	871,174	1,551,932
	2,553,948	3,539,933
To Canadian banks	1,469,463	1,718,312
	134,750,995	126,622,617
To the Shareholders		
Dividends, etc.	176,211	176,019
Reserve	8,000,000	8,000,000
Capital	7,000,000	7,000,000
Surplus	620,055	607,242
	15,796,266	15,783,261
	150,547,261	142,405,878

*Not exceeding market value.

B. C. SUPERVISOR

B. O. Moxon, whose appointment as supervisor of British Columbia branches has been announced by The Royal Bank of Canada. His headquarters will be at Vancouver, where he will take over his new duties about Jan. 1.

R. H. Baird, who has been British Columbia supervisor for the last 10 years, will retire on pension after 37 years in the bank's service.

Mr. Moxon's position as Winnipeg manager will be assumed by F. T. Palfrey, manager at Saint John, N.B., who, in turn, will be succeeded by A. F. MacAlpine, now manager at Brantford, Ont.

Bank of Canada Weekly Statement

Total assets of the Bank of Canada advanced almost $19 millions in the week ended Nov. 18. Most of this total, $10.5 millions, is attributable to greater security holdings reflecting sharp advances in deposits, both on Dominion and chartered bank account.

Balance Sheet

Liabilities	Nov. 18 $	Nov. 10 $
Capital paid-up	10,100,000	10,100,000
Notes in circ.	128,322,266	129,664,561
Rest fund	173,092	173,092
Dep.: Dominion	23,214,597	20,060,280
Banks	204,410,682	194,003,064
Other	663,696	405,657
Total deposits	228,288,975	214,469,001
All other liabs.	9,707,790	3,338,513
Total liabs.	376,592,123	357,745,167
Assets		
Reserve: Gold	179,218,728	179,163,514
Silver bullion	1,995,209	1,962,221
Res. in sterling & U. S.	13,951,440	11,283,259
Total reserve	195,165,377	192,409,094
Subsidiary coin	260,799	273,602
Advances	1,000,000	1,000,000
Investments:		
Dom. govt. short	66,058,103	60,760,070
Other Dom. govt.	103,543,035	98,339,426
Total invest.	169,601,138	159,099,496
Premises	364,712	363,460
All other assets	10,200,097	4,599,515
Total assets	376,592,123	357,745,167
Reserve ratio	54.72%	55.91%

Weekly Bank Clearings

	Nov. 19 1936 $	Change yr. ago %	Nov. 12 1936 $
Halifax	2,845,688	+ 4.3	1,966,207
Saint John	2,036,114	—21.4	1,464,614
Moncton	878,646	+ 4.2	723,938
Sherbrooke	688,106	+ 9.0	534,498
Quebec	5,394,198	+ 6.0	4,082,771
Montreal	125,371,790	— 6.8	106,792,795
Ottawa	21,344,844	—63.3	21,803,265
Kingston	668,960	+16.4	454,372
Peterborough	689,897	+ 5.8	611,012
Toronto	155,604,147	—21.1	107,884,093
Hamilton	5,394,263	+12.2	4,033,442
Kitchener	1,228,174	+ 4.0	927,040
Brantford	1,063,645	+ 9.2	759,153
London	3,476,266	—11.5	2,122,251
Chatham	712,718	+ 7.4	492,569
Windsor	3,368,788	+21.2	2,216,043
Sarnia	536,084	—11.7	419,228
Sudbury	1,112,871	+20.9	911,177
Fort William	860,957	+29.9	593,827
Winnipeg	60,110,702	—19.6	42,885,712
Brandon	401,318	+ 6.1	309,426
Regina	4,780,177	— ...	3,397,646
Moose Jaw	843,360	+ 9.7	637,151
Saskatoon	1,910,861	+ 2.3	1,346,194
Prince Albert	436,928	+17.0	366,068
Edmonton	5,002,949	+ 4.9	3,489,403
Calgary	7,241,301	—12.1	5,102,665
Medicine Hat	268,348	—12.9	200,691
Lethbridge	547,864	+ 2.4	545,375
N. W'minster	645,356	+ 7.8	536,146
Vancouver	20,140,183	+ 6.1	15,662,828
Victoria	1,952,700	+ 8.0	1,440,821

Staff Changes

The Canadian Bank of Commerce has made the following change in staff:

H. W. COOKE, formerly manager at Kirkland Lake, Ont., to be manager at Paris, Ont.

The Bank of Nova Scotia announces the following appointment: W. T. HAMILTON, to be manager at Powassan, Ont.

Candn. Banks Paying More In Insurance

Lower Turnover of Personnel Hoists Group Life Premiums

AVERAGE AGE UP

Lower turnover of staff in recent years has hoisted the cost of group life insurance to the banks.

Practically all the chartered banks have group life insurance plans for their employees—the majority put into effect about 10 years ago. Most of the plans are based on a definite schedule of premiums. That is, rates for each age are definitely fixed, and automatically increase by a certain amount as the employee grows older.

The bank is usually billed for the entire amount of the premium, but a proportion of the cost of each policy is paid by employees. There is a limit of $7.20 per $1,000 of insurance under most of the plans in effect, however, as the maximum which an employee may contribute.

Banks Overstaffed

The depression years have meant that fewer bankers are leaving that profession for "greener pastures," and consequently, fewer younger men have been employed to take their places. At the same time, banks have been very reluctant to dismiss employees. Bank staffs have failed to register a reduction paralleling those in earnings and in the number of branches. It is generally admitted that, despite superannuation of a number of the older employees, the banks have been considerably overstaffed. Only in recent months have junior appointments shown appreciable increase.

Personnel Older

The result has naturally been that on average, personnel of the banks is older than in pre-depression years. Consequently, the cost of insurance, both individually and as a whole, has also mounted. Under most of the group plans in effect, a dividend is returned to the bank by the insurance company at the year-end if experience has been satisfactory. This dividend, it may be imagined, has been shrinking over the last few years.

Despite the rising cost, most of the banks state they are quite satisfied with the insurance plans now in force, and that no changes are in the offing. Some have felt the pinch more than others, however, and revisions have resulted or are under consideration. The Dominion Bank, for instance, discontinued payment of insurance premiums of pensioners earlier in the year, although it still contributes to those of active employees.

The Canadian Bank of Commerce is also finding experience less satisfactory and now has the matter under consideration.

Imperial Revises Plan

The last stronghold of the noncontributory plans—that of the Imperial Bank—will fall next month. Effective Dec. 1, employees of the Imperial will be required to pay 25 cents a month for insurance if they are under 40 years of age. Those older than that will pay 50 cents. Until now, the entire premium has been met by the bank.

11 Branches Closed By Chartered Banks

In October, Canadian chartered banks announced the closing of 11 branches. No new branches were opened.

The list of offices affected is as follows:

Imperial Bank:
Creelman, Sask.
Edberg, Alta.
Goodwater, Sask.
Griffin, Sask.
Readlyn, Sask.
Tribune, Sask.

Royal Bank:
Barquisimeto, Venezuela.
Valencia, Venezuela.

Bank of Nova Scotia
Fitzroy Harbour, Ont.

The Canadian Bank of Commerce:
St. Williams, Ont.

Bank of Toronto
Compeer, Alta.

Income Tax Problems

I am one of a family of three brothers, each of whom is now contributing to the support of our aged mother. As she cannot be said to be entirely dependent upon any one of us, we have presumed that no exemption may be claimed when filing federal income tax returns. On the other hand, it does seem only fair that some consideration should be given. Could you inform us if some special provision is made under the act, or if this would be covered under some other section of the act, say that dealing with charitable gifts?

Each case of the type you mention must be dealt with on its individual merits. However, speaking generally the following provisions apply. If your mother is living with any one of you, provided he is unmarried, that son can claim exemption of $2,000. This automatically cancels any exemption claim of the other three.

In other circumstances, the maximum exemption allowed is $400. This figure includes all those who contribute to the dependent's support. That is, if more than one person contributes, the maximum exemption which can be claimed is still $400, and may be apportioned between the contributors in proportion to their contributions.

New Books

THE PRICE LEVEL. By Lieut.-Col. K. E. Edgeworth. Published by George Allen and Unwin. Toronto. Price $1.50.

This is another admittedly unorthodox discussion of monetary policy. The author says the gold standard is dead beyond revival. He is not concerned about international exchange fluctuations but wishes to secure stability of prices at home. After considering all the possible means to stability he offers the novel suggestion that the average rate of wages might be the proper instrument of monetary management.

I. THE IMPROVEMENT OF COMMERCIAL RELATIONS BETWEEN NATIONS AND THE PROBLEM OF MONETARY STABILIZATION. Price 16/-. II. INTERNATIONAL ECONOMIC RECONSTRUCTION. Price 8/-. Published by the International Chamber of Commerce, 38 Cours Albert 1er, Paris.

If a group of businessmen sat down with a group of economists to survey the chief economic problems of the world, to discover the causes of the depression and to outline the solutions for the present difficulties, what conclusions would they reach?

These two volumes provide the answer. Some time ago it was felt by the International Chamber of Commerce, whose members are interested in the promotion of trade, and the Carnegie Endowment for International Peace, which is interested in the promotion of peace that such a joint study would be useful. Together, they appointed a committee of "experts" to do the work.

The two volumes have resulted. Vol. II, the report of the joint committee on International Economic Reconstruction provides a most useful study of how the depression really began. It concludes on the note that world peace and a return to prosperity to the revival of world trade are one and indivisable. Getting down to more practical suggestions, a substantial reduction in tariffs is urged as a necessity. The various stages to which tariff demobilization might be carried are outlined. The experts frown upon quotas and urge bi-lateral treaties and the use of the Most Favored Nation clause as instruments in the reduction of tariff rates. The gradual abolition of exchange and clearing regimes is also urged and means of removing the conditions that have caused them to arise are suggested.

There are some useful suggestions as to international monetary policy. Between the writing of the report and its publication the International Stabilization Agreement has intervened and has in no small measure achieved what the economists and businessmen who wrote this report desired.

In Vol. I there are included a large number of memoranda by many of the outstanding economists of the world on such subjects as the improvement of commercial relations between nations, the road to recovery, the problem of monetary stabilization, etc.

Throughout both volumes runs the view that the way to economic peace is through the demobilization of the weapons of economic warfare.

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OF CANADA
62nd ANNUAL STATEMENT
Year Ending October 31st, 1936

Profit and Loss Account

Profits for the year ended 31st October, 1936, after providing for		
Dominion and Provincial Taxes	$285,973.62	
Staff Pension and Guarantee Funds	82,500.00	
and making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made		$962,813.37
Dividends at the rate of 10% per annum		700,000.00
		$262,813.37
Written off Bank Premises		250,000.00
Balance of Profits carried forward		$ 12,813.37
Profit and Loss Balance 31st October, 1935		607,242.16
Profit and Loss Balance 31st October, 1936		$620,055.53

BALANCE SHEET

Liabilities

Notes in Circulation		$ 6,110,665.00
Deposits by and balances due to Dominion Government	$ 1,762,584.47	
Deposits by and balances due to Provincial Governments	3,112,301.90	
Deposits by the public not bearing interest	33,195,559.63	
Deposits by the public bearing interest, including interest accrued to date of Statement	86,546,473.12	
		124,616,919.12
Deposits by and balances due to other Chartered Banks in Canada	$ 1,469,462.90	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	1,682,774.09	
		3,152,236.99
		$133,879,821.11
Acceptances and Letters of Credit Outstanding		871,173.96
Capital Paid Up	$ 7,000,000.00	
Reserve Fund	8,000,000.00	
Dividends declared and unpaid	176,210.59	
Balance of Profits as per Profit and Loss Account	620,055.53	
		15,796,266.12
		$150,547,261.19

Assets

Gold held in Canada	$ 766.00	
Subsidiary Coin held in Canada	356,506.12	
Notes of Bank of Canada	5,467,079.00	
Deposits with Bank of Canada	4,139,834.66	
Notes of other Chartered Banks	310,090.00	
Government and Bank Notes other than Canadian	82,601.02	
		$ 10,356,878.80
Deposit with the Minister of Finance for the security of note circulation		484,537.31
Cheques on other Banks		5,450,639.04
Deposits with and balances due by other Chartered Banks in Canada		619,304.89
Due by Banks and Banking Correspondents elsewhere than in Canada		3,907,509.09
		$ 20,818,869.13
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	$ 9,424,887.37	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	38,070,447.55	
Canadian Municipal Securities, not exceeding market value	3,857,865.50	
Other Bonds, Debentures and Stocks, not exceeding market value	235,650.11	
		51,588,850.5
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	$ 7,774,150.64	
Loans to Provincial Governments	5,700,057.96	
Loans to Cities, Towns, Municipalities and School Districts	6,566,144.98	
		20,040,353.58
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		50,217,639.92
Non-current Loans, estimated loss provided for		258,374.11
Real Estate other than Bank Premises		281,898.44
Mortgages on Real Estate sold by the Bank		352,965.64
Bank Premises, at not more than cost, less amounts, if any, written off		6,000,000.00
Liabilities of Customers under Acceptances and Letters of Credit as per contra		871,173.96
Other Assets not included under the foregoing heads		117,135.88
		$150,547,261.19

FRANK A. ROLPH,
President.

A. E. PHIPPS,
General Manager

AUDITORS' REPORT TO SHAREHOLDERS

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at 31st October, 1936, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.
W. D. GLENDINNING, C.A.,
of Glendinning, Gray & Roberts.

Toronto, 17th November, 1936.

Week in Mining

'Phone Tipsters Again Reaping Rich Harvest

Loopholes in Present Regulation Shown Up With Disconcerting Sharpness

The chief interest of those concerned with the welfare of Canadian mining markets lay last week not so much in the listed stocks, which were fairly firm and unspectacular, but with those penny issues which again appear to have fallen into the hands of the high pressure fraternity, and are being touted over the counter and over the telephone with almost unrestrained abandon.

Last week The Post learned of a Toronto promoter who sold, via the 'phone, 1,000 shares in a Sturgeon River company to an enthusiast in Birmingham, Alabama.

Another Toronto house was telephoning Manitoba residents in an effort to sell them stock in a Hastings county, Ont., promotion.

The writer himself was honored by a 'phone call from a Bay St. boiler house and importuned to make himself a fortune via a property in the Kenora district.

The fact that such examples could be multiplied hundreds of times, indicates that something is definitely wrong.

The Post understands that representatives of various provincial governments are meeting in Toronto early in January to discuss ways and means of [illegible] the drive against these men. A representative of the federal government will also be present.

These things admittedly take time. But in the meantime, men of international notoriety are known to be in Toronto, masquerading under various firm names, finding loopholes in the present securities regulations, or in their administration, and profiting handsomely at the expense of the public, and of the Canadian mining industry.

Until further evidence can be collected against these men, or until their present activities are declared illegal, The Post can only warn its readers to be on the lookout for such men, particularly when they are only a voice at the other end of a telephone.

Noranda's Taxes

HIGHER copper prices are sharply reflected in the nine months estimated earnings statement of Noranda Mines, published in another column. While copper production has been curtailed, total recovery is considerably higher than last year at this time.

Although the 1935 nine-month period included the bullion tax applicable to May 31, 1935, it is apparent that the tax gatherers have, or will lay a heavy hand on the mines this year. Noranda's reserve for taxes in the 1935 period amounted to $615,000, or about 27 cents per share outstanding. This year, in the first nine months, the reserve amounts to $1,360,000 or the equivalent of 61 cents per share.

Noranda's earnings this year should be around $4 per share.

* * *

Inco at $100?

THE usually conservative Stock Exchange Gazette of London appears enthusiastic on the prospects of International Nickel. Writes "Magpie" in a recent issue: "Next year I fully expect Nickel—with the extra plant in operation and the growing demand for copper—to be earning at least $1 a share quarter with prospects of even better results. I shall be surprised if Nickel, now $60, does not pass in a few months' time its 1929 record of $74. Sooner or later I believe the shares will break the even $100."

A few weeks ago, The Financial Post estimated that Inco's earnings this year would be in the general neighborhood of $2.50 per share. Supposing, "if, as, and when" the Gazette's prophecy comes true, Inco is paying $2 per year in dividends, the yield on the stock would be 2%. Would the investing public be satisfied to take such a yield? At present, with 1936 dividends approximating $1.30 on the common stock, the yield is about 2.4%, and the investing public is not only taking it, but is apparently, "liking it."

* * *

Wr.-Hargreaves "Special"

IN ADDITION to the regular quarterly dividend of 10 cents per share, and an extra of five cents per share, Wright-Hargreaves Mines has declared a special interim dividend of 10 cents per share payable Feb. 1, 1937.

This company has always been generous with its dividends, such payments approximating earnings per share more closely than in the case of such companies as McIntyre Porcupine, whose directors have long adhered to a policy of building up a strong liquid position for future investment or ultimate distribution. Thus, while Wright-Hargreaves has been paying out about 60 cents per share from its earnings of around 72 cents, McIntyre Porcupine has paid out less than half of its earnings which last year approximated $4 per share.

Accordingly, the declaration of a special interim dividend by Wright-Hargreaves is a fairly sound clue to the extent of increased earnings.

The two different policies form an [illegible] contrast. Their respec[illegible] of course, depend on [illegible] investor is seeking an [illegible] return on his money, or [illegible]-term investment. The [illegible] are reflected in the re[illegible] McIntyre yielding [illegible] and Wright-Hargreaves [illegible]

* * *

[illegible] Aid Lumbermen

TANGIBLE evidence of the manner in which the Canadian mining industry assists other industries is contained in the Nov. 15 issue of Canadian Lumbermen. In an article headed "Mining Industry Rejuvenates Lumbering" it is stated that at the Frood mine of the International Nickel alone, 180 railway carloads of new timber are taken underground every month of the year. The quantity of timber used totals 140,000 f.b.m. daily, 3.6 millions f.b.m. monthly or 43,200,000 f.b.m. annually. This volume is absorbed by one mine only.

In a survey made recently by the Sudbury Star it is estimated that the number of men engaged during the coming winter in the Sudbury area amounts to [illegible] International Nickel [illegible] of buying all the [illegible] procured for [illegible] Sudbury district. As a result, last season approximately 800 men found steady employment in getting out timber for the company's activities from the bushlands of the Sudbury district. It is believed that this year a force of 1,000 men will be directly engaged in cutting and hauling new timber to be used in connection with the various mining operations of the company.

In addition, of course, mining indirectly stimulates lumbering through the construction of homes and business premises in mining centres which have been a major factor in absorbing a goodly number of the unemployed in the northern districts.

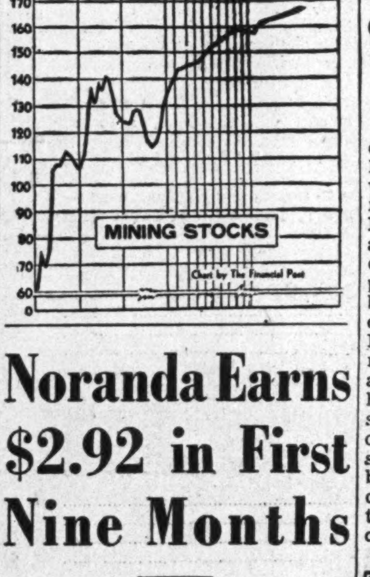
* * *

Index to Mining Stocks

PRICES on the mining market were generally firmer during the past week with a few issues, mostly among the senior golds, moving higher. The general index for 23 mining stocks advanced from 167.6 for the week of Nov. 12 to 169.2 for the week of Nov. 19. For the corresponding week last year this index was 126.6.

With the senior gold stocks paving the way, the index for this group moved up 2.0 points. The index stands at 133.9 for the week ending Nov. 19 as compared with 131.9 for the week ending Nov. 12, and was 112.5 for the same period last year.

Noranda was a feature among the base metal issues and was responsible for advancing the index for this group from 314.9 for the week of Nov. 12 to 315.1 for the week of Nov. 19. This index was 184.4 for the same week of 1935.



Noranda Earns $2.92 in First Nine Months

Taxes Show Sharp Increase Over 1935 Period

Although production of copper anodes dropped by about nine million lb., Noranda Mines, Quebec copper-gold producer, shows per share earnings in the first 9 months of 1936 at $2.92, as compared with $1.82 in the 1935 nine-month period.

Total recovery is up, as shown below, by about $2.7 millions. Costs this year have been reduced, although this reduction is much more than offset by an increase in reserve for taxes.

The following table shows the estimated operating statement for the two periods:

Est. Operating Statement Nine Months ended Sept. 30	1936 $	1935 $
Total recovery	13,285,791	*10,507,682
Less: Min., adm. & gen. expenses	5,187,808	5,429,582
Res. for taxes	1,360,000	615,000
Net oper. earnings	6,737,983	4,463,100
Add: Misc. income	236,909	238,770
Total income	6,974,892	4,701,870
Less: Est. reserve for depreciation	423,000	630,000
	6,551,892	4,071,869
Earnings per share: Common	$2.92	$1.82
Copper anodes produced, lb.	47,095,774	58,067,130

Morris Kirkland Gold Mines—will pour its first gold brick between Dec. 15 and 20, officials estimate. The mill at this Kirkland Lake property started Nov. 2. The mill circuit was filled Nov. 10 from which time the process of extraction of the gold from the mill solution began. The new equipment has been put in oversize all the way through.

LAUDING RADIUM PRODUCTION

To mark the production of an ounce of radium at the Eldorado Refinery at Port Hope from ore mined at Great Bear Lake, in the sub-Arctic, two unique gatherings were held last week.

The refinery was visited by a distinguished group which included Sir Frederick Banting; Hon. Dr. J. A. Faulkner, Ontario's Minister of Health; Maj.-Gen. A. G. L. McNaughton of Ottawa; Principal A. E. Morgan of McGill; Brig.-Gen. C. H. Mitchell of Toronto; Gilbert LaBine, discoverer of the deposits; Leigh Brintnell, the flier who made the discovery flight to Great Bear Lake; Hon. Charles Stewart and others. They watched the last milligrams of luminous powder which made up the ounce go through their final stage of production.

At Ottawa that night, the group, with His Excellency, the Governor-General in attendance, as well as Premier King, Chief Justice Sir Lyman Duff; Sir Francis Floud, British High Commissioner and the U. S. Minister, Hon. Norman Armour, banqueted while the new status of radium as a Canadian industry, was formally acknowledged. Plaques of sub-Arctic silver were presented to Dr. Charles Camsell for the Department of Mines and to General McNaughton for the National Research Council.

From left to right, pictured at the banquet, are Gilbert LaBine, Lord Tweedsmuir and Rt. Hon. Mackenzie King.

From one ton of ore mined at Labine Point the refinery, after exhaustive processes, extracts 90 milligrams of radium. Eldorado announced that two grams of radium would be produced monthly at Port Hope and production would shortly be increased. As a result of this production world prices have been cut in half.

News Concentrates

Aldermac Copper Corp. — Overhauling of the mill at this property is well under way. The mine is being prepared for resumption of milling operations and the first mill unit of 250 tons will be in operation by late December. This tonnage basis is the maximum that can be hoisted until the present programme of sinking the three-compartment shafts to 1,625 ft. is completed. When it is, it will be possible to step the mill up to 500 tons per day.

* * *

Argosy Gold Mines — Authorities have consented to the release, effected Nov. 24, of 287,500 shares of this company's stock. This is 25% of the 1,150,000 shares pooled at the time of listing, until Nov. 16, and such further period as should be prescribed.

* * *

Barry-Hollinger — has suspended operations at its Matheson property due to lack of finances. The station was cut at the 125-ft. level but little work was done and results were inconclusive. The Toronto Stock Exchange reports that 35,000 shares have been sold to net the company $1,607, an average of 4.77 cents per share.

* * *

McRae Gold Mines — has been formed to develop 32 claims in the Harricana district of Quebec. Officials report encouraging results from preliminary surface exploration. Work is under the supervision of Mining Projects of Canada. Rolland Préfontaine, Montreal, heads the new company.

Minto Gold Mines — reports that October net before depletion, depreciation and mineral tax amounted to $2,683. The company informs The Financial Post that a large body of high grade recently opened on the 500-ft. level ensures improved profits.

* * *

South American Gold — In the nine months' period ended Sept. 30, 1936, subsidiaries of this company produced 35,403 ounces of crude gold and 21,586 ounces of crude platinum. After deducting all expenses and providing for depreciation and estimated depletion and U. S. and Columbian income taxes as well as the proportion of earnings applicable to minority interest, but before provision for surtax on undistributed profits, the consolidated net income of this company and subsidiaries amounted to $480,874, equivalent of approximately 27.3 per share of the 1,760,000 shares issued.

* * *

Wales Red Lake Gold Syndicate—reports that work is to start exploring on surface mineralization previously discovered. Necessary equipment is being shipped into the property.

* * *

Young Shannon Gold Mines—Assays from a two-ton shipment from the first level at this Chester Twp., Ont. property indicate the copper content will not supply a milling problem, assay showing one-tenth of one per cent copper. Drilling is under way.

Richmac Outlines Basis of Transfer

Old Shareholders to Receive 5 New for 1 Old

Recently The Financial Post quoted an official of Richmac Gold Mines (1936) Ltd. in connection with the transfer of this property in the Red Lake area of Ontario. Mr. J. F. McLaughlin, a director and solicitor for the company, points out that this information was in part erroneous and was apparently based on a misunderstanding. The correct details, which The Financial Post hastens to publish, of the arrangement made between the old and the new company is that shareholders of the old received five shares in the new company for each one share formerly held. The only stock of the old company that is being treated as vendors' shares is certain stock which was issued to the original organizer of the first company. Shares of the old company sold to the public have not been treated as vendors' shares by the new company, and are not pooled.

Seal Harbor Gold Plant at Capacity

From Our Own Correspondent

MONTREAL.—Seal Harbor Gold Mines mill, at Goldboro, N. S., came into production early in September, running at the rate of about 150 tons a day and this has been gradually increased up to the rate of capacity of 200 tons, according to a report issued by the company to the shareholders.

At present 85 men are employed by the company in mine and mill operation.

Down to the 100-ft. level high-grade ore has been largely removed, but the company reports that there is a year's supply of low-grade ore above that level. Between the 100- and 300-ft. levels a three to four years' supply remains to be worked.

Mining Enquiries

Leitch Gold Mines

What is your opinion of Leitch Gold Mines? I would like some recent information.

—

Construction of a 75-ton mill is under way at Leitch and should be ready for operation some time early in February of next year. The company is also extending its shaft to an objective of 550 ft. with two new levels to be opened at 425 and 525 ft. Recent financing negotiations have also been successful, we understand, and the company is now financed to production. The outlook for Leitch is quite encouraging at the moment but until its earning capabilities have been proved by actual production the shares must be regarded as speculative.

Sudbury Contact

What is behind the move in the stock of Sudbury Contact? I wrote you some time ago about this stock and purchased some on the strength of your reply. Should I take my profit?

—

Sudbury Contact's chief interest at the moment is in Lapa Cadillac Gold Mines Ltd., which is fully financed for a year's development programme. The shaft on this property is on its way down to the 350-ft. level and crosscutting from the 165-ft. level to reach the "A" ore body is in progress. Operations are under competent management and the company appears to be in good financial shape. The Lapa Cadillac operation is still in the prospect class but is responding quite encouragingly to development work.

Algold Mines

I haven't much surplus money, and what I have I don't wish to lose. With this background, would you consider Algold Mines a good investment?

—

Algold Mines can in no sense be regarded as an investment, although the property is now producing from a small mill.

The property was formerly the New Goudreau Gold Mines and it is equipped with a 10-ton mill, a 20-ton pilot mill and a 50-ton ball mill. The first gold brick was poured in August and ore reserves have been estimated at two years' supply on the main vein system, which has been traced on surface for 4,500 ft.

Drilling carried on during the summer gave encouraging widths but with moderate gold values, averaging $7.70 over eight ft. with two further 10-ft. sections yielding over $5 gold per ounce, with free gold eliminated. A drill hole on a parallel vein gave a section running $33 over three ft.

The operation is an interesting one and a westward drift on the 200-ft. level recently reached mineralization 100 ft. from the old workings. Further exploration is being carried out underground but you will see from the milling capacity that the operation is a small one and has yet to prove its ability to earn enough to give some hope for future dividends on the 2,030,841 outstanding shares. We have no details of its financial position but from the available information we would regard the shares as decidedly speculative.

Development At Big Master

Two Veins Attacked from Four Levels Yield Results

With one vein explored on four levels, and intersected by drilling at the 500-ft. horizon, and with another vein, No. 4 explored on the first and third level, Big Master Consolidated Gold Mines, in the Lake of the Woods district, has had satisfactory results from the programme of the past few months, W. R. Salter, president, reports.

On No. 3 vein, on which most work has been done to date, a shoot averaging about 80 ft. in horizontal length has been opened up, the upper portion of which has been largely stoped out above the 260-ft. level. This shoot comprises two quartz vein sections referred to as foot and hanging wall veins. Down to the 3rd level, the average width of this shoot is about eight ft. On the 4th level, both the foot and hanging wall veins have been opened up for a length of about 100 ft. with the hanging wall vein showing visible gold in each round of drifting over the entire length.

The No. 4 vein has been opened up on the 3rd level for a length of 145 ft., the northerly section, approximately 70 ft. in length in this shoot, averages $14.67 over 5.3 ft. and an average value of $8.89 per width of 5.3 ft. over the entire length of 145 ft.

Further drilling and bulk sampling is at present under way.

Northern Can. Has Fine Year

Net Assets Show Sharp Increase Over Previous Reports

Substantial increase in the values of its holdings is the highlight of the annual report of Northern Canada Mining Corp., covering the 21 months ended Sept. 30, 1936. The report indicates that the corporation has had one of the most active years in its history. Based on market for listed securities and book values of other items, net assets as of Sept. 30, 1936, amounted to $2,053,203, equivalent to 82.1 cents per share. This compares with net assets of $1,257,270, or about 50.3 cents per share as of Jan. 1, 1935.

The corporation now holds substantial interest in two producing mines, Kirkland Lake Gold Mining Co., and Argosy Gold Mines. The increase in net assets was largely due to the incorporation amongst the corporation's holdings, of 619,513 shares of Argosy, 50,586 shares of Kirkland Basin Gold Mines, 275,005 shares of Nordarm Longlac Mines, and 250 units of Casummit-Birch Lake Syndicate.

The balance sheet as at Sept. 30, 1936, shows current assets of $51,725, against current liabilities of $2,039. Investments, having a market value of $1,933,848, are carried at net value of $1,852,364.

Dr. J. B. Tyrrell, president, states in the report that discussion will be welcomed at the annual meeting on the advisability of distributing a large portion of the shares of Kirkland Lake Gold Mining Co. This, he points out, would necessitate a complete reorganization, including the formation of a new company, if legal requirements were to be complied with.

Following is an itemized income and surplus account for the 21-month period ended Sept. 30, 1936, and the 12-month period ended Dec. 31, 1934:

Income and Surplus Account	21 mos. ended Sept. 30 1936 $	12 mos. ended Dec. 31 1934 $
Net inc. from int., divds., etc.	108,613	60,951
Less: Expenses for year	32,021	19,486
Cash income	76,592	41,465
Add: Real. profits from sale of securities (net)	12,721	27,835
Net profit for year	89,313	69,300
Less: Dividend pay.	50,000	50,000
Surplus for year	39,313	19,300
Add: Prev. surplus	44,812	25,512
Balance carried forward.	84,125	44,812

Note: In the 1936 period, losses on sale of securities amounted to $43,847, all of which was charged to reserve.

OPTIONS

In accordance with listing regulations, the Toronto Stock Exchange has been advised regarding options and underwritings upon the treasury shares of the following companies:

Morris Kirkland: A block of 20,000 shares, balance of Nov. 28 installment of 46,000, has been taken up at 50 cents per share under agreement Sept. 16. This completes the option. A block of 13,000 shares, part of April 11, 1937 installment under agreement June 23, has been taken up at 50 cents. Balance of this option comprises 25,000 shares at 50 cents by April 11.

Sudbury Contact: A block of 35,000 shares, balance of Nov. 30 installment of 100,000, has been taken up at 25 cents per share under agreement Oct. 10. Balance of option comprises 100,000 shares at 30 cents by Dec. 31.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

Company Reports

American Cyanimid

American Cyanimid Co. and subsidiaries report net earnings equivalent to $1.11 a share on the 2,520,368 class A and B common shares for the nine months ended Sept 30, 1936. This compares with $1 a share in the same 1935 period.

Consolidated Income Account Nine Months Ended Sept. 30	1936 $	1935 $
Operating profit	6,049,836	5,186,565
Other income	545,794	549,337
Total income	6,595,630	5,735,902
Less: Depreciation	1,720,711	1,553,139
Res., devel., exp.	1,089,344	870,345
Interest, etc.	306,980	331,278
Income taxes	612,628	363,650
Minority int.	62,701	83,521
Net income	2,803,266	2,533,969

M. & O. Paper Co.

Minnesota & Ontario Paper Co. trustees report net income amounting to 0.372 times interest charges, before allowing for depreciation and depletion, in the period Jan. 5 to Sept. 13, 1936. The accounts exclude results of National Pole & Treating Co., M. & O. subsidiary.

Cons. Income and Surplus Account (Excluding National Pole & Treating Co.) Period Jan. 5, 1936, to Sept. 13, 1936	$
Sales	8,684,678
Less: Cost of sales	7,149,442
Gross profit	1,535,236
Less: Sell., admin., trustee exp.	983,845
Oper. profit	551,391
Add: Other income	81,080
Net income	632,471
Less: Depletion	202,014
Depreciation	499,927
Int. accrued and paid	16,160
Int. accrued but not paid	1,684,221
Other P. & L. items (net)	207,279
Res. red. N. P. & T. stock	135,519
Net loss for period	2,112,649
Less: Prev. surplus	10,025,287
Surplus forward	7,912,638

United Bond & Share

United Bond and Share Ltd.'s financial statement for the year ended Sept. 30, 1936, shows a moderate decline in revenue from interest and dividends, but a marked gain in net profits from sale of investments. Revenue in interest and dividends was $18,745, as against $20,101 in the previous year. After providing for expenses, taxes, dividends, etc., there was a small deficit of $830. For the previous year there was a surplus of $233 after providing for smaller dividend. However, the report shows a net profit on sale of investments of $42,703, compared with $8,924 in 1935, which figures were not taken into the revenue account.

At the end of last September, the company's balance sheet showed assets of $412,582, of which book value of investments was $392,279 and the balance in cash. The market value of these investments was about $528,000. On the same date last year assets totalled $369,476, with book value of investments $357,135 and the market value of investments $386,745.

The only change of interest among the liabilities is the increase in the surplus arising from the net profit on sale of securities from $8,181 to $50,950.

Income and Surplus Account Years Ended Sept. 30	1936 $	1935 $
Gross income	18,745	20,101
Less: Expenses	5,083	6,691
Net revenue	13,662	13,410
Less: Dividends	14,492	13,177
Surplus for year	*830	233

Inter. Hydro-Electric

Consolidated statement of International Hydro-Electric System and subsidiary companies for the third quarter of 1936 shows a net loss of $330,617. This was in contrast with a loss of $154,259 in the corresponding period of 1935.

The report said sales of electric energy and net profits of the New England properties continued to show improvement as compared with 1935, but this was "more than offset by the decline in net profits of the Canadian properties as a result of the new contracts between Gatineau Power Co. and the Hydro-Electric Power Commission of Ontario."

Effective Nov. 16, 1936, however, "the commission is taking delivery of an additional 20,000 h.p. under the 25 cycle contract. This means an increase in revenue for the commission, at the rate of about $200,000 a year.

Statement of Consolidated Profit and Loss Quarter Ended Sept. 30	1936 $	1935 $
Total revenue	15,592,229	15,252,598
Less: Oper. exps.	5,453,998	4,933,959
Maintenance	1,002,767	934,737
Taxes	1,782,336	1,858,470
Interest on sub. debt	3,153,157	3,208,892
Int. on debentures	398,520	401,796
Amort. debt disct.	228,861	237,896
Depreciation	1,228,536	1,181,139
Income taxes	316,967	416,781
Divds. paid on sub. stocks	1,553,583	1,736,622
Divds. not paid on sub. stocks	586,575	403,639
Minority interest	217,567	92,927
Loss for period	330,617	154,259

Additional provision for depreciation was charged directly to surplus by a subsidiary in the amount of $3,625,500 during the 12 months ended Sept. 30, 1935, ($1,812,750 for 1933 and a like amount for 1934) and $1,750,000 during the 12 months ended Sept. 30, 1936.

No provision has been made in the above figures for possible liability for United States Federal tax on undistributed net income applicable to the 1936 period. The amount of such liability, if any, is determinable only at end of the calendar year.

Can. Power & Paper

Canadian Power & Paper Investments' financial statement for the year ended July 31, 1936, shows revenue of $91,780. Comparative figures for the preceding 12 months are not available, but in the 18 months ended July 31, 1935, gross revenue amounted to $196,267. After all expenses, including unpaid interest on debentures, there was a loss for the past year of $19,559.

The balance sheet shows a number of changes. The book value of bond investments remains about the same, but preferred stocks have been reduced by more than half, while there has been a slight gain in common stock holdings. The total book value of investments at the end of last July was about $5.4 millions, the market value of which was nearly $2.3 millions. At the end of July, 1935, the book value of investments was over $6.5 millions, and the market value $1.7 million. During the year the company liquidated its call loans to $531,275, while $352,000 of the debentures were purchased and cancelled. Funded debt of the company now stands at $1,782,000.

Income and Surplus Account	12 mos. to July 31/36 $	18 mos. to July 31/35 $
Gross revenue	91,780	196,267
Less: Audit fees	350	......
Expenses	1,111	8,246
Insurance	310	......
Legal fees	1,886	......
Salaries	960	......
Taxes	1,293	744
Reorgan. expenses	......	17,738
Trustee	1,596	......
Int. on loans	14,693	67,380
Int. on debentures.	89,140	157,675
Loss	19,559	55,516
Previous deficit	*112,633	57,067
Less: Int. liability	44,000	......
Deficit forward	88,192	112,583

*Adjusted.

International Petroleum

International Petroleum Co. shows net profit for the year ended June 30, 1936, equivalent to slightly more than $1.65 a share, compared with $1.49 a share in the preceding year. Dividend payments totalled $2.50 a share, resulting in a deficit of $12 millions for the year, including write-offs of nearly $7 millions for depreciation and depletion. Surplus account was reduced only $8 millions due to writing back of $4.9 millions formerly carried as "appropriated surplus."

A striking feature of the report is that working capital stands at $55.5 millions, or less than $2 millions below the 1935 figure, despite the large excess of dividends over net profit. This reflects conservatism in the accounts, which ordinarily might be expected to show a shrinkage in working capital corresponding roughly with the deficit for the year.

Comparative figures follow:

Consolidated Income and Surplus Account Years Ended June 30	1936 $	1935 $
Oper. profit*	27,260,594	26,754,069
Less: Fees, salaries, and dir.	299,760	275,008
Deprec. & deplet.	4,531,700	4,754,443
Amortization	2,395,354	2,463,896
Net oper. profit	20,033,780	19,260,724
Add: Int. & divds. rec.	2,491,853	1,971,498
Prof. on sale of secs.	1,814,500	767,284
Less: Minority ints.	316,376	332,965
Net profit	24,023,757	21,656,536
Less dividends:		
Preference	496,404	454,348
Common	35,552,688	32,540,607
Deficit	12,925,335	11,338,419
Add: Prev. surplus	59,672,800	71,736,429
Prev. surp. trans. back	4,867,863	......
Less: Inc. & cap. tax†	816,842	......
Prop. of 1935 net profit res. under S. A. laws	......	725,209
Surplus forward	51,698,486	59,672,801

*After all producing, refining and distributing expenses, and income taxes amounting to $2,374,446 in 1936 and $1,558,483 in 1935.

†To the government of a South American country in respect of earnings of prior years.

Working Capital	1936 $	1935 $
Current assets	61,326,471	61,868,350
Current liabilities	5,778,157	4,425,438
Working capital	55,548,314	57,442,912
Ratio	10.61—1	13.98—1

Assets	Balance Sheet Items	
Bonds	31,882,020	18,915,768
Market value	32,099,251	20,921,774
Accounts receivable	7,760,788	15,595,004
Shares owned	18,504,803	17,863,357
Market value	18,671,170	13,535,903
Pref. shares owned.	11,857,900	14,229,900
Vessel mortgages	13,578,197	17,557,007
Fixed assets	101,865,858	100,348,209
Less deprec. res.	71,777,218	68,232,757
Net	30,088,640	32,115,452
Concessions, etc.	54,701,200	54,491,736
Less amort. res.	29,124,212	26,728,858
Net	25,576,988	27,762,878
Total assets	166,286,862	177,504,690
Liabilities:		
Insurance res.	6,622,840	6,280,633
Capital stock	100,875,000	100,875,000
Surplus	51,698,486	59,672,801

Saguenay Power

Saguenay Power Co. in the three months ended Sept. 30 earned its bond interest 2.28 times after depreciation.

For the nine-month period ended Sept. 30, bond interest was earned only 1.38 times after depreciation. The lower ratio for this period is due to the inclusion in expenses of $352,690 non-recurring, overlapping interest paid on 6% bonds called May 1, 1936, for redemption July 1, 1936.

Earnings of the new 5½% preferred stock in the three-month period were equivalent to $7.85 a share and for the nine month period to $9.86 a share.

Cons. Income and Surplus Account	3 Mos. ended Sept. 30, 1936 $	9 Mos. ended Sept. 30, 1936 $
Oper. revenues	1,196,243	3,413,797
Less: Oper., maint., adm., etc.	137,306	358,908
Tax., other than inc.	61,117	161,243
Depreciation	165,750	511,167
Oper. income	832,070	2,382,481
Add: Other income	4,933	10,335
	837,003	2,392,816
Less: Int. on fund. debt	359,750	†1,711,436
Other interest	17,708	33,822
Amort. of debt. exp.	*16,272	28,283
Prov. for inc. taxes..	82,927	125,962
Net profit	392,890	493,333
Less: Dividends paid..	383,752	383,752
Surplus for year	9,138	109,581
Add: Prev. surplus	3,159,363	3,056,067
Gain on bonds red...	......	2,853
Surp. at Sept. 30, 1936	3,168,501	3,168,501

*Credit.

†Includes $352,690 non-recurring overlapping interest paid on 6% bonds called May 1, 1936, for redemption on July 1, 1936.

Mining Dividends

	Rate	Close Nov. 23	Yield %
Anglo-Huronian	30c	6.20	..
Beattie Gold	†5c	1.32	..
Bralorne	30c+15c	8.20	..
Buff. Ankerite	20c	10.75	1.9
Bulolo Gold	$1.40	30.50	..
Cariboo	10c	1.80	5.6
Central Patricia	†4c	3.95	..
Coniagas	†12½c	3.40	..
Cons. Smelters	50c	75.75	..
Dome Mines	$2+$2	53.00	7.5*
Falconbridge	30c	11.00	2.7
Hollinger	65c+35c	13.50	7.4*
Howey Gold	2c	.65	..
Hudson Bay	50c	31.00	..
Island Mountain	‡10c	1.27	..
Int. Coal & Coke	‡1c	.21	..
Inter. Mining	60c	12.00	.5
Int. Nickel, c.	$1.60	62.00	2.5
Kerr Lake	5c	.55	..
Kirk. Lake	‡3c	.64	..
Lake Shore	$5	60.87	8.2
Lava Cap M.	4c	.88	..
Little L. Lac	30c	6.90	..
Macassa	15c	6.60	..
McIntyre	$2	41.50	4.8
McKenzie R. Lake	6+1c	1.65	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	.92	..
Nipissing	50c	2.45	..
Nor. Can. Mining	2c	.52	..
Noranda	$3	72.00	..
Pickle Crow	15c	6.30	..
Premier	12c+4c	3.20	5*
Pioneer, B. C.	80c	5.85	13.7
Reno	12c	1.36	8.8
San Antonio	14c	2.25	..
Sheep Creek	8c	.77	10.4
Siscoe	20c	4.50	4.4
So. Amer. Gold	30c	4.80	..
Sudbury Basin	10c	5.50	..
Sylvanite	20c	3.25	6.2
Teck-Hughes	40c+5c	5.75	8.7*
Toburn	8c	3.65	2.1
Ventures	2½+2½c	8.05	7.4*
Ymir Yankee Girl	5c	.40	..

‡Interim. †Initial. *Yield includes bonus.

Listed Bonds

Week Ended Nov. 28, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	51½	50
McNish	6	'40	2.85	..	4.00	3.00

Ind. Acceptance Sells Stock Issue

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp. has sold publicly $1 million of 5% cumulative redeemable preferred stock, with warrants to purchase class A shares, through Greenshields & Co., McLeod, Young, Weir & Co., and Harrison & Co., at $100 a share.

The purpose of this issue is to provide the company with additional working capital and sufficient funds to retire the outstanding Series A debentures to an amount of $750,000. In connection with the latter, notice has been given to the holders that the debentures will be redeemed Jan. 25 next at 105 and accrued interest.

Particulars of the issue follow:

$1,000,000
Industrial Acceptance Corp.
5% Cum. Redeem. Preferred Stock
With Warrants to Purchase Class A Stock

Capital:	Authorized	Issued
5% preferred	$3,000,000	$1,500,000
Class A shs., n.p.v.	150,000 shs.	60,000 shs.
Class B shs., n.p.v.	30,000 shs.	25,000 shs.

Company: Engaged in commercial financing, consisting principally of the purchase of installment lien obligations created through the sale on time of motor vehicles and other products.

Assets: Net assets after deduction of all liabilities senior to the preferred amounted on Aug. 1, 1936, to $2,761,000, or $184 for each $100 share of preferred stock. Practically all assets are in the form of acceptances and notes receivable, cash and accounts receivable.

Credit Loss Record: On the $90 receivables purchased during the 6-year and 8-month period ended Aug. 31, 1936, the corporation's loss has been less than half of 1%.

Warrants—Are not detachable and non-transferable separately from preferred stock. Holder of one share of preferred will have right to purchase half share of class A stock at $30 a share before Nov. 30, 1937; $32.50 a share before Nov. 30, 1938; $35 a share before Nov. 30, 1939.

Offer: Greenshields and Co., McLeod, Young, Weir and Co., and Harrison and Co. at $100 a share, with dividend cumulative from Dec. 1, 1936.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington to Nov. 21.

Germany—The wholesale price index in October continued the gradual downward trend initiated in September.

Austria—The improvement recorded earlier in 1936 was not maintained during the third quarter, in spite of increased activities in many industries; adverse facts included the unfavorable trade balance, the increase in unemployment, and the large budget deficit.

Lithuania—Further basic improvement occurred during the third quarter of 1936, many of the gains being based on the favorable export season and the resumption of trade relations with Germany.

China—The further approach toward internal stability, together with the year's plentiful crops and the steadiness of the currency, has improved sentiment in the country and the progress of the reconstruction programme remains unchecked.

Japan—Commodity markets improved last week, with silk and rayon making a particularly good showing.

Philippine Islands — Government revenues this year are expected to yield a surplus over estimates, and additional funds to be derived from recent tax increases will further swell the 1937 receipts.

Hawaii — Commerce was brought to a standstill toward the end of October by the Pacific coast shipping strike and in consequence the outlook for wholesale and retail business is less promising.

Sugar Production

Eight sugar refineries operating in Canada last year had a total production valued at $36,597,997.

Goldrock Busy As Four Shafts Get Under Way

Is One of Most Active Centres in Kenora

NEWS OF FIELD

From Our Own Correspondent

KENORA, Ont. — According to J. D. C. Smith, mining recorder here, the most intense activity confined to a small area in the Kenora mining division is at Goldrock in the Wabigoon area, where four mining companies are engaged in shaft-sinking programmes at the present time. Other properties are also active.

Big Master Consolidated has a shaft down 350 ft. and from the underground workings is carrying out diamond drilling, drifting and crosscutting. The company will probably complete the shaft to 500 ft. and open up a 5th horizon.

Has $100,000 to Spend

Elora Gold Mines, a newly organized company, has taken over the Keating, Laurentian and Jubilee properties. Thayer Lindsley and associates, M. F. Fairlie and H. J. Emery are some of the names mentioned in connection with this company. It has $100,000 on hand to carry out an underground programme. A mining plant is now being installed and the shaft will be shortly started on its way to 200 ft. It is anticipated that 1,000 ft. of drifting will be done on two levels. The old 80-ton mill installed at the Jubilee was operated for a short while during the summer for test purposes.

Interests which are represented by C. A. Billings, M.E., at the property has optioned a group of claims owned by Frank Gaffney and, as a result of the encouragement from surface work and diamond drilling carried out during the summer, plans to sink a shaft. Arrangements for this work are now in hand.

Purchase Old Mine

Tecumseh Gold Mines has purchased the old Detola mine adjoining Big Master and now has a crew at work rehabilitating building and equipment and dewatering the shaft in preparation for an examination. It is planned to do flat diamond drilling on the 235-ft. level to check values and widths on seven veins cut by a crosscut driven by former operators. Drifting is to be continued on the 155-ft. level where old work opened up 219 ft. of ore averaging $18 across 20-28 inches. It is anticipated six months' work will put the property into production on a 50-ton basis.

Surface work is planned by Valloc Mines Limited, newly organized company, while Maniwabic Gold Mines has been active on surface. Some diamond drilling has also been done. Surface exploration is also being done at the Keyroc Gold Mines, Muton Davis and Dixon properties.

Noranda Seeks Help on Power

Gaby Asks Quebec for Concessions When Depositing Plans

From Our Own Correspondent

MONTREAL. — Noranda Power Co., subsidiary of Noranda Mines, has deposited plans with the Quebec Government for the development of at least 20,000 h.p. on the Upper Ottawa River in Northern Quebec. The intended development is in the series of rapids arising from the discharge of Lake Victoria and Victoria River, close to Lake Decelles.

Noranda has had a contract with the Quebec Government for the past 10 years under a nominal consideration, whereby it would have exclusive rights to develop the water powers on the river. However, this contract provided that in the event of development being proceeded with, the company would pay the Government at the rate of $1 per acre of land submerged, which would mean some 50,000 acres; plus a rental of $5,000 a year; plus 50 cents per horsepower of installed capacity; which at 20,000 h.p. means altogether about $65,000 a year to the crown.

Gaby Seeks Changes

F. A. Gaby, former chief engineer of the Ontario Hydro Commission, and now acting for the Noranda Co., is seeking to have the contract changed. It is asked that the $1 per acre for flooded lands be waived and that the restriction that the power development may not be sold to a third party, or parties, be put aside.

The Quebec Government hitherto was opposed to the change in the contract on the ground it would mean unfair competition to Northern Quebec Power Co., a subsidiary of Canada Northern Power Corp., which has a development of about 40,000 h.p. on the Quinze River and which has been paying the Government at the rate of about $100,000 a year.

It is reported the whole matter will likely have to go before the legislature, as owing to an enactment of the 1935 session, the Government itself cannot deal with the matter.

Report Nice Widths At Packsack Mines

Llewellyn Chamberlin, mine manager at Packsack Mines, in the Rice Lake area of Manitoba, reports that 93½ ft. of drifting over a width of five ft. on the first level averages .24 oz. or $4.80 per ton. At a point 128 ft. from the shaft the cross cut shows the vein to be 20 ft. wide.

On the second or 250-ft. level, a diamond drill hole was run to the hanging wall and disclosed 41 ft. of vein material. Ten ft. of core was lost and the remaining 31½ ft. averages $9. Part of this, a width of 18½ ft., averages $15.09. The lost core was at the extreme end of the drilling bringing the distance up to 41½ ft. Assays for this 10 ft. run 5 ft. of .08 ozs. and 5 ft. of .13 ozs.

Nova Scotia Gold Output Will be Doubled for 1936

Hon. Michael Dwyer Outlines Activity in Staging Comeback

SMELTERS IN FIELD

From Our Own Correspondent

MONTREAL.—Value of gold production in Nova Scotia this year is expected to double the $280,000 produced in 1935, according to a statement made by Hon. Michael Dwyer, Minister of Mines for Nova Scotia, in an address delivered before the Advertising Club of Montreal. Gold, once a major Nova Scotia industry, he said, is staging a comeback and with application of modern methods, geological knowledge, and adequate capital, the province should very soon once again take its place among the gold producers of the country.

In speaking of the steps taken by the Nova Scotia Government to encourage gold mining, Hon. Michael Dwyer said that diamond drills are available to prospectors, and a complete mill is installed at the Nova Scotia Technical College with trained metallurgists in attendance, where ores may be tested free. Moreover the mining, metallurgical and geological staff of the Department of Mines is at the disposal of prospective investors at all times for consultations and advice.

Greater Activity Shown

In discussing developments now under way, the Minister of Mines said:

"As an indication that gold mining in Nova Scotia is definitely on the up-grade, again, reference may be made to the last annual report of the Mines Department which shows that mining is now being carried on in 19 districts by over 20 operators.

"One of the most progressive operations is that of the Guysboro Mines Ltd. at Goldenville, where work has been proceeding steadily for two years with increased mill production this summer.

"At Montague, in Halifax County, the Montague Gold Mine has been steadily and progressively operating since 1933.

Smelters' Work Important

"The Cariboo district is the scene of a comprehensive programme of development that has been under way successfully for the past two years. The principal achievement of the operators, Consolidated Mining and Smelting Co., is the sinking of a vertical shaft which is now 550 feet deep to a depth of 1,000 feet to prove out the existence of gold at that horizon.

Work at Seal Harbor

"One of the most promising areas is at Goldboro, where the Seal Harbor Gold Mines have been developing a unique occurrence for the past three years. The Seal Harbor pay zone consists of wide belts of quartzite, which are interlaced with numerous stringers of quartz, one belt, at the 300-ft. level, being 45 feet in width, the widest discovered in the province. The shaft has been sunk to the 425-ft. level. Extensive exploration work carried out in the past season has disclosed a continuation of the ore body depth. A new cyanide plant of 200 tons daily capacity has recently been placed in operation.

"At Tangier, Nova Scotia Gold Mines have been purchasing operations for some time. The privately owned hydro plant has been reconstructed and unwatering completed to the 500-ft. level. The company is now preparing to do extensive development work underground and plans to repair the mill which stands on the property.

Syndicates in Field

"Lake Thomas Gold Syndicate commenced work 15 months ago at Waverley and the future for this mine looks promising. It is fully equipped and is operating with electric power. A 10-stamp mill, introduced in the latter part of May, 1935, has been working continuously with good results.

"Four operators have been carrying on work in the Mount Uniacke district. F. J. Hogan's development work has shown up the presence of considerable ore zones on parallel veins.

"In this same area the Queen's Mines Ltd. are carrying on operations using a 10-stamp mill to crush their ore. Also preparing for operations in Mount Uniacke is the Montreal Mining Co. and Mines Development Corp. (of Quebec).

Large Scale Tests

"Gold River, in Lunenburg Co., has been worked in the past three years by Lacey Gold Mining Co., whose work showed the possibilities for profitable operation. Valuable ore bodies were developed. The mine is fully equipped and a 25-ton treatment plant of the Ball-mill type was erected in co-operation with the Nova Scotia Government for the purpose of making large scale tests.

"The Nugold Mining Corp. is carrying on work at Blockhouse, two miles west of Mahone Bay. The company has placed mining equipment on the property, completed the unwatering operations and deepened the main shaft to the 200-ft. level. At present they are carrying on developments underground on the 200-ft. level and the sinking of the shaft has about reached the 300-ft. level. Surface work has intersected a promising parallel vein.

"Work is also being carried on in other areas such as Leipsigate, in the Micmac area; Whiteburn in Queens Co.; Oldham, Halifax Co.; Forrest Hill, Guysboro Co.; South Uniacke and Renfrew in Hants; and Indian Path in Lunenburg Co."

Drilling Yields Results At Century Mining Corp.

Drilling on the property of Century Mining Corp. in the Flin Flon area of Manitoba has revealed promising indications of mineralization, according to a report made on the property by Dr. J. F. Wright, consulting geologist. This drilling was done at points 200 to 400 ft. north of the main outcrop explored by previous drilling. These were shallow test holes drilled to depth between 107 and 123 ft.

Arrangements have been completed with Smith & Travers to move the drilling equipment upon completion of drilling in this area to the Big Four property to test two large-sized sulphide bodies which were tested by surface exploration during the past summer and which gave values in gold, copper and nickel.

Silver Is Factor Sladen Malartic

The shaft at Sladen Malartic Mines has now reached a depth of 360 ft. and it is expected that the third level at the 500-ft. horizon will be reached in another month. The station on the second level at the 350-ft. horizon has been completed and short cross cuts have been advanced north and south to facilitate operations later, Andrew Walz, consulting engineer, reports. Low values have been encountered during the sinking. On the existing first level at the 200-ft. horizon, channel sampling indicates that the ore contains silver in sufficient quantities to be a factor in the average grade of the ore body. Mr. Walz estimates that about 40 or 50 cents per ton can be added to the grade due to the presence of this metal. During development operations at the 200-ft. horizon about 2,200 tons of ore have been cumulative on the dump.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER. — Pend Oreille mines in the Metalline district, extremely active in the base metal boom prior to 1929, is contemplating construction of a $150,000 power plant to produce between 2,000 and 3,000 h.p. daily in conjunction with plans to increase mill capacity to 1,000 tons daily. A loan of $125,000 is understood to have been obtained to defray cost of the plant under an amortization plan whereby payments equal to present outlay for power will repay the loan.

* * *

Truck to Dunwell

Ore shipments at the rate of about 30 tons a day are being trucked to the Dunwell mill, Portland Canal, from the United Empire bunkers, although milling has been delayed by severe weather.

* * *

Deny Wayside Rumor

Purves Ritchie, managing director of Wayside Mines, denies the report current on the coast that his company will be obliged to borrow approximately $150,000 to finance development or close down. He says that additional capital may be necessary later on, but no immediate necessity has arisen.

* * *

Dismantle Meridian Plant

The Congress-Meridian deal has been approved by the superintendent of brokers at Victoria, and a wrecking crew is on the ground at Meridian dismantling the plant for removal to Congress. Meanwhile, a committee is protesting the transaction under which Meridian sold the mill for 250,000 Congress shares.

* * *

May Increase Fairview Mill

Increased milling facilities for Fairview Amalgamated are being considered, according to C. J. Vaux, managing director. At the end of September about 9,000 tons of ore had been broken, in excess of tonnage sent to the mill, with 6,000 tons available at Fairview and 3,000 tons at Morning Star, of total gross value of $70,000.

* * *

Cariboo Hydraulics Close

Most of the hydraulic plants in the Cariboo district have been closed down for the season due to snow conditions.

* * *

Granby Measure Passed

The provincial legislature has passed the measure authorizing liquidators of Granby Consolidated Mining & Smelting Co. to reopen the Allenby and Copper Mountain properties.

* * *

Cariboo Gold Quartz

Cariboo Gold Quartz reached an all time high in production in October when 2,287 fine ounces of gold were recovered, valued at $80,045. This was from 6,320 tons of ore milled. This compares with a value of $71,610 from 6,220 tons milled.

* * *

Ottawa Silver to Mill

Ottawa Silver Mining & Milling Co., operating near Slocan City, will have a 100-ton mill operating shortly, according to W. Randolph Green, president.

Plan Important Changes At Continental Kirkland

A complete change-over in the management of Continental Kirkland Mines is heralded in a notice mailed to shareholders, calling a special general meeting in Toronto on Dec. 5. In forwarding the notice, Robert A Bryce, pres., states that a proposal has been received from "a responsible mining engineer" to purchase from the company 120,000 shares for $25,000 or at a price of 20 cents per share. The purchaser will be given an option to purchase all the remaining treasury shares of the company at the same price within a period of two years. As part of this arrangement, the purchaser proposes to acquire from a group of large shareholders of the company, including Mr. Bryce, 100% of their holding at the same price of 20 cents per share. Upon completion of the transaction, the present officers and directors of the company will be called upon to resign.

Ashton Long Lac Offering Stock

Ashton Long Lac Gold Mines is currently offering treasury stock at the market, to finance development of the company's 27 claims in the Little Long Lac area. The property contacts Hard Rock on the south. The company's financial sponsors, Huntley Securities, state that surface work carried out to date has been sufficiently encouraging to warrant further work. The company is capitalized at three million shares, $1 par value, of which 1.4 million shares have been issued for the property and pooled.

Pioneer to Pay Jan. Dividend After Reserve

Future Policy To Be Governed by Amount of Reserve

WANT MILLION

From Our Own Correspondent

VANCOUVER. — Although production at Pioneer Gold Mines, Ltd., in the Bridge River district, dropped again in October to $174,000, compared with $188,000 in September and $198,000 in August, directors have declared the usual 20 cents quarterly dividend payable Jan. 2 for shareholders of record at the close of business Dec. 1.

News of Pioneer's dividend policy had been anxiously awaited, as it was known that production figures had been steadily declining since May, when the gross aggregated $206,000. The peak was $270,000 in January. All these figures are gross. Expenses last month were $77,000, the same as in September, before deducting depletion, taxes and depreciation.

As the company has decided to maintain a cash reserve of not less than $1,100,000, unless production takes a jump during the next quarter there is a prospect that dividends will be reduced. The directors emphasize that the extensive development programme now under way has been chiefly responsible for declining values, and that ore so far located at the deep levels compares favorably with the grade encountered on other levels opened up below the 14th level.

Directors' Statement

The directors' statement follows in part:

"It is several months since the new section of the shaft was completed. Although 5,000 feet of drifting has been done, in addition to necessary cross-cutting, only a small part of the main vein possibilities within this section of the mine has as yet been explored. The tonnage indicated in the area explored has been satisfactory, amounting as it does to approximately 300,000 tons of ore, averaging 0.40 ounce per ton. This combined with positive ore reserves above the 14th level as at Sept. 30, 1936, of 297,000 tons of 0.50-ounce ore gives a total reserve at the present time of approximately 600,000 tons of ore, averaging 0.45 ounce. On this basis production will be at the rate of approximately $170,000 per month."

Maple Leaf Mines Outlines Position

Shareholders Approve Ultimate Distribution of Argosy Stock

Shareholders of Maple Leaf Mines, meeting in Toronto recently, approved the proposal to distribute the 487,442 shares of Argosy Gold Mines now held by Maple Leaf. This stock will be released on approximately a one for five basis, when released by the securities commissioner. The commission has ruled that to offset a market fall, the Argosy shares will be released in four monthly installments. The first 25% of this stock was released on Nov. 24.

Maple Leaf assets were reported at $4,685 cash at Oct. 31, 1936, while holdings have cost value of $281,474 and market value $579,380. The company holds 32,000 shares in Newroy Gold Mines, and offer has been received from French interests who would form a new company on Newroy and give Maple Leaf 200,000 shares. The interests will spend $60,000 to $70,000 on the property. Maple Leaf will receive 150,000 shares of Brengold Mines in exchange for its 450,000 shares of Casey Contact. It further holds 58,200 O'Leary Malartic shares; 67 units McKay-Quebec— five units Wood Brown Synd.; 20 shares Garvey-Stewart Exploration; five units Green Syndicate, and some other smaller holdings. It was announced directors themselves had surrendered 100,000 shares of their own stock without repayment in retaining the company position after Mid-Canada became involved.

Suspend Operations At Falcon Gold Mines

From Our Own Correspondent

SUDBURY. — Operations at the Falcon Gold Mines Limited, in Falconbridge township, northeast of Sudbury, have been suspended temporarily, pending further financing.

When work was halted recently, a crosscut had been completed from the shaft to the vein at the 100-ft. level and approximately 150 ft. of drifting accomplished. Incomplete sampling indicated commercial values over mining width, but the work had not been sufficiently checked when operations were suspended. In addition to the partial development on the first level, the shaft had been sunk to 200 ft., and a station cut at that horizon. Underground work accomplished on the first level, it is understood, in a general way confirmed the diamond drilling results from surface.

Acme Cadillac Latest In Fast Growing Field

Still another company has been formed to develop a property in the intensely active Cadillac area. The new company, known as Acme Cadillac Gold Mines, owns a property in the southwest section of the township directly to the south of Thompson Cadillac. The company will be capitalized at three million shares and will be financed from Montreal. Board of directors includes the following: Ernest W. Sayer, Outremont, Que., pres.; R. Edgar Markgraf, vice-pres.; Dr. Charles W. H. Rondeau, Westmount, Que., M. A. McInnis, directors; and Louis M. Dorsey, solicitor of Montreal, sec'y and director.

Godfrey to Probe Platinum Stories

John M. Godfrey, Ontario Securities Commissioner, has announced that a public enquiry will be held to determine responsibility for statements published in connection with L. B. United Mines' operation of the Centennial property in Michipicoten.

Readers of this paper will recall that last summer The Financial Post took exception to the statements made in the circulars peddling this stock, to the effect that rich platinum occurrences had been found in the ore from this property. The Post's scepticism in this regard was vigorously resented by the promoters of the stock. Subsequent investigation of the property by government engineers, however, failed to substantiate the claims which its sponsors had made for the property.

In the meantime, however, a large amount of stock is understood to have been sold to the public.

Mill 100 Tons At McMillan

New Showings Reported from 875-ft. Level

From Our Own Correspondent

SUDBURY. — After a lapse of nearly a year, McMillan Gold Mines has re-entered production at its property in the West River section, milling having been resumed a few days ago. Ore bins had been filled since the renewal of underground operations about three weeks ago, and the mill schedule for the present is to be on the basis of 100 tons daily, according to official statement. Tonnage will be increased to 125 in the near future.

In drifting on the 875-ft. level, where work was stopped earlier this year, free gold was encountered last week-end, the management states. Not enough work has been done as yet, however, to determine the importance of the new development. On the 525-ft. level, an additional 50-ft length has been proven on the Lake Shore vein to the east and Evan Harris, general superintendent, reports the occurrence is looking encouraging.

Mine feed will be taken from the 525, 725 and 875-ft. levels for the present. Some changes have been effected in the mill, amalgamating tables having been dispensed with, and the practice will now be cyanidation entirely, permitting of finer grinding.

Mining Companies Newly Formed

Acme Cadillac Gold Mines—Que. incorp. Oct. 26, 1936. H.O. Montreal. Author. cap.: $3,000,000, par $1.

Bartleman-Bourkes Gold Mines—Ont. incorp. Oct. 30, 1936. H.O. Timmins. Author. cap.: $3,000,000, par $1.

Brigham Mining Associates—Ont. incorp. Oct. 28, 1936. H.O. Toronto. Author. cap.: $1,000,000, divided into 100,000 shares of $10 each.

Crowshore Gold Mines—Ont. incorp. Oct 28, 1936. H.O. Toronto. Author. cap.: $3,000,000, par $1.

Dawson-White Gold Mines—Ont. incorp. Nov. 2, 1936. H.O. Toronto. Author. cap.: $3,000,000, par $1.

Globe Mines—Ont. incorp. Nov. 3, 1936. H.O. Toronto. Author. cap.: $3,000,000, par $1.

Kirkwin Gold Mines—Ont. incorp. Oct. 26, 1936. H.O. Toronto. Author. cap.: $3,000,000, par $1.

Komuda Claims—Ont. incorp. Oct. 29, 1936. H.O. Toronto. Author. cap.: $100,000, divided into 10,000 shares of $10 each.

Millgold Mines—Ont. incorp. Nov. 2, 1936. H.O. Toronto. Author. cap.: $100,000, par $1.

Mona Gold Mines—B.C. incorp. Nov. 6, 1936. H.O. 1010 Hall Bldg., 789 Pender St., Vancouver. Author. cap.: $75,000, divided into 1,500 shares of $50 each.

Numine Prospectors—Ont. incorp. Oct. 29, 1936. H.O. Toronto, Author. cap.: $100,000, par $1.

Selby Lake Mines—Ont. incorp. Oct. 28, 1936. H.O. Goldrock, Ont. Author. cap.: $3,000,000, par $1.

Siscoe Extension Gold—Ont. incorp. Oct. 14, 1936. H.O. Toronto. Author. cap.: $3,000,000, par $1.

Tudor Company—Que. incorp. Oct. 28, 1936. H.O. Montreal. Author. cap.: $10,000, par $1.

Van Winkle Gold Mines—Ont. incorp. Oct. 27, 1936. H.O. Toronto. Author. cap.: $3,000,000, par $1.

Wellesley Red Lake Gold Mines—Ont. incorp. Oct. 24, 1936. H.O. Toronto. Author. cap.: $3,000,000, par $1.

Surrender of Charter

Aldermac Mines Ltd.—Notice given Nov. 6, 1936, that company will make application for surrender of its charter.

Amity Copper and Gold Mines—Notice dated Nov. 10, 1936, that company will make application for acceptance of the surrender of its charter.

Blackstone Mining—Notice dated Nov. 9, 1936, that application for acceptance of surrender of charter will be made.

Chippewa-Kirkland Mines—Notice given Nov. 12, 1936, that company will make application for acceptance of the surrender of its letters patent.

Mint-Ore Mines—Notice given Oct. 24, 1936, that surrender of charter has been made.

Oro Plata Mining Co.—Notice given Oct. 26, 1936, that surrender of charter has been accepted.

Whitestone Mining—Notice dated Nov. 9, 1936, that company will make application for the acceptance of the surrender of its charter.

Change of Name

Bullion Basin Mines — Supplementary letters patent issued Nov. 3, 1936, changing the name of the company to Alroy Kirkland Mines.

Ru-Cadillac Gold Mines—Notice given Nov. 2, 1936, that company has changed its name to Ardmore Gold Mines.

Schreiber Planet Gold Mines—Notice given Nov. 5, 1936, that company has changed its name to Kenecho Gold Mines.

Vega Gold Mines—Notice given Oct. 29, 1936, that name of company has been changed to Shawmaque Gold Mines.

Capital Increased

Alroy Kirkland Mines—Supplementary letters patent issued Nov. 3, 1936, increases capital stock of the company from $1,000,000 to $3,000,000 by the creation of 2,000,000 additional shares of $1 each.

B. C. Minerals

British Columbia's mineral production this year will amount to about $50 millions, or an increase of about $1.3 million over 1935. Gold leads with an estimated production of $14.7 millions, the provincial department of mines reports.

NORTHERN CANADA MINING CORPORATION, LIMITED

New mines financed, managed and developed to production.

44 Victoria Street, Toronto, Can.

Air Affairs Of Braeberne In B.C. House

Pooley Sticks by Charges Despite Explanations

WON'T APOLOGIZE

From Our Own Correspondent

VANCOUVER.—Affairs of Braeberne Gold Mining Co. were again ventilated in the B. C. legislature recently when R. H. Pooley, former attorney-general, repeated his charge that promoters of the stock, representing an operation in the Bridge River district, "sidestepped" the Securities Act.

Mr. Pooley charged that on the set-up of Braeberne out of $858,000 to be collected from the public, only $120,610 would go into development.

Mr. Pooley incidentally refused to apologize to D. A. Hamilton, one of the chief figures in the Braeberne organization saying that he was "talking by the book."

The veteran Esquimalt legislator said he meant to cast no reflection on the Vancouver Stock Exchange, because the Braeberne stock was not listed, although he pointed out that the exchange had asked Mr. Hamilton for a report of the situation, which indicated it was interested.

Wants Hole Plugged

Mr. Pooley said the Braeberne deal indicated there was a hole in the Securities Act and that it should be plugged. Both he and R. W. Bruhn, member for Salmon Arm and an active operator of Sheep Creek mines, recommended that the act should be amended to make it in closer conformity with the Ontario legislation, which they said was generally dependable.

"More than He Looked For"

Mr. Pooley stated he did not make enquiry of the registrar of companies because he found what he was looking for in The Financial Post Survey of Mines. He said he found more there than he was even looking for. Then he described the deal which he claimed was "a circular movement to beat the Securities Act in which they beat the devil round the rump."

"Mr. Hamilton," said Mr. Pooley, "for some reason or other wanted to sidestep the Securities Act. The Securities Act is there to protect the public, to bring everything out in the open. But there is a little loophole in the act through which sales to brokers can be used to sidestep the act, and he used it."

Farris Makes Statement

Wendell Farris, a director of Braeberne, issued a statement supplementing that of Mr. Hamilton, claiming that there was a misunderstanding about the whole matter, and stating in part:

"To my mind, knowing all the facts, no criticism can be offered in connection with this transaction of either the Braeberne Company, the Premier Securities or D. A. Hamilton Company. My only regret is that this unfortunate publicity may create in the minds of the public a false impression."

Rubec Details No. 18 Hole

Some clarification of the uncertainty surrounding the spectacular drilling results reported recently from Rubec Mines property, in northwestern Quebec, is contained in an official report issued by Harry E. Simons, secretary.

The report points out that as nothing comparative with the No. 18 hole was found on surface, the results which last week sent the stock soaring may be considered abnormal.

Complete returns from No. 18 hole showed an average of over 10 oz. across 17 ft. 9 in. Samples from 218 ft. 6 in. to 235 ft., gave values ranging from .05 oz. to 47.12 oz., per ton, according to Mr. Simons.

No. 19 hole, which is being bored 100 ft. east of No. 15 hole, has not been completed, due to the breakdown of the drill. No. 15 hole, which was 100 ft. east of No. 18, gave values ranging from .01 oz. to 4.47 oz.

Algoma Summit Shapes Up Below

The incline drift at Algoma Summit Gold Mines, in the Goudreau mining district of Ontario, is now down 260 ft. from the portal, running in ore all the way, according to Fred A. Brandt, president and general manager. At 172 ft. on the incline, a cross cut is being run which is at a vertical depth of 100 ft. from the surface, to the north and to the south across the known 1,000 ft. or more of auriferous formation.

The company reports that the new mill building, which is to presently house the initial 500 tons per day milling unit, is now completely closed in and concrete is being poured for the milling equipment.

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Beresford Lake Ahead On Property Payments

From Our Own Correspondent

WINNIPEG. — Satisfied that its property is well on its way minewise, Beresford Lake Mines, operating the Oro Grande property at Beresford Lake is paying off two years ahead of time outstanding cash on claims it held under option from Central Manitoba Mines.

This additional property and which included the Solo claim was optioned some time ago for $50,000 from Central Manitoba Mines and two or three small payments have been made. The bulk of the money, however, was not due until 1938 and 1939 in order to give Beresford Lake an opportunity to ascertain what they had.

Work has been pushed forward both on the old Oro Grande claims and also on the Solo, on which a 500-ft shaft was sunk some years ago and results have been sufficiently favorable to induce the purchasing company to complete payments at once and obtain titles to the six or seven claims that were under the option.

A check for $20,000 was handed over to Central Manitoba this week and the balance will be paid as soon as titles to the claims have been prepared and are ready to turn over to Beresford Lake.

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Extensive stripping and trenching has been done to determine the formation and geology of the property and the results have been sufficiently favourable to warrant further surface exploration, to be followed by test pitting and diamond drilling.

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Current market—10 bid—12 asked.

Publicity on War Orders May Delay Defense Plans

Circulation of Unfounded Reports Creates War Feeling Contrary to Empire Peace Policy

From Our Own Correspondent

MONTREAL.—Canadian Machinery's report that the National Steel Car Corp. had received an order from the British Government for the manufacture of over half a million shells is both denied and confirmed. The company has received an order for shells, but the number to be manufactured is considerably less than mentioned.

While a certain amount of secrecy surrounds the situation, The Financial Post is informed that the National Steel Car's business is a "qualifying order" and does not represent the entry of the British Government into the Canadian market for a regular supply of munitions.

The principal purpose of the order is to show that National Steel is in a position to produce munitions. There is no hurry for the shells; delivery will be made over a period of several months.

No Other Orders

No other orders have been placed in Canada by the British Government and the business secured by National Steel does not indicate that further business will be forthcoming from the same source.

Stock markets have been much exercised by the report of this order having been placed in Canada. Other companies have been spoken of freely as having received munitions orders or being in a position to supply such material. Premier Baldwin said in the House of Commons a short time ago that the British Government hoped to have some of the munitions and armaments manufacturing done in Canada and this has been taken to indicate that orders have been placed secretly.

Beyond the National Steel Car order there is no definite information of other contracts. H. J. Kelley, vice-president and general manager of Dominion Steel and Coal Corp., says that the Sydney plant has not received any orders for British munitions. If any order is placed, he says, the company is prepared to produce shrapnel shell blanks along the same lines of operation as during the last war. Equipment used in shell manufacture during the Great War had been dismantled, he continued, but could be replaced quickly.

The report that General Motors Regina plant might be used to make munitions is entirely false, The Financial Post is informed.

May Affect Policy

The widespread publicity given to the placing of possible armament and munitions orders in Canada by the British Government, may have an unfavorable reaction. Both the British and Canadian Governments are strongly opposed to fostering a spirit of war-mindedness among the people. There is no doubt this has happened in Canada as a result of all the publicity of late. As a result there is a possibility that the defense plans of the two Governments, as far as manufacture of armaments or munitions in Canada is concerned, may be deferred or undergo a revision in order to offset all the talk of war preparedness.

Dominion Position

From Our Own Correspondent

OTTAWA.—The Dominion Government continues to disavow any knowledge of, or connection with, the reports of munitions orders for Canadian firms.

Regarding British or other outside orders, The Financial Post has been authoritatively told by the Department of National Defense that the Canadian Government is not figuring in the picture at all.

Canada herself has placed no munitions orders with Canadian firms, except for the usual small orders on exactly the same basis as in previous years, The Financial Post is advised.

No special sums were voted by Parliament last session for this purpose, and the inference is that no special Governor-General's warrants have been issued for munitions expenditures in excess of the votes last session.

Quebec Power Lowers Rates

New Schedule Saves Consumers $100,000 a Year

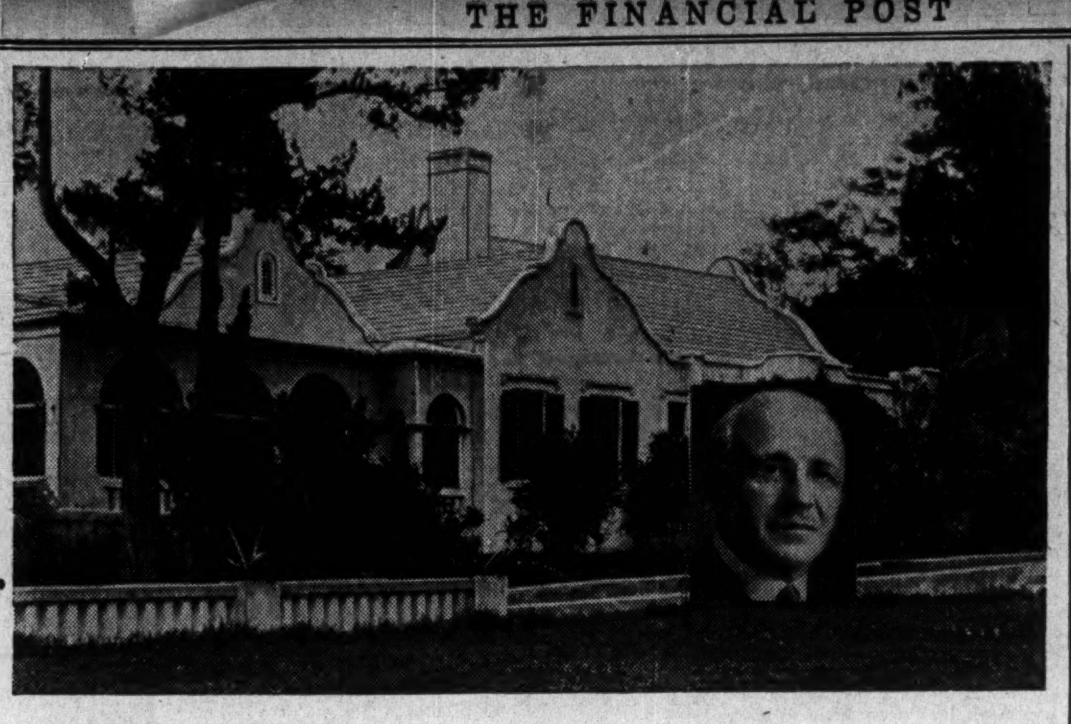
From Our Own Correspondent

MONTREAL.—Announcement is made by the Quebec Government that an agreement has been reached by the Quebec Power Co. for new electricity rates in the city of Quebec, which will save domestic consumers in the area about $100,000 annually.

The commission which investigated the electricity situation in Quebec recommended a minimum monthly fee of 70 cents per family within the city limits. Under the new rates which go into effect on Jan. 1, 1937, Quebec Power Co. will apply a monthly service charge of 30 cents; 2.5 cents per kilowatt hour for the first 60 kw.h.; 1.5 cents for the next 240 kw.h. and 1 cent per kw.h. for the balance of consumption. The minimum charge will be 60 cents.

As for industrial power, the system of fixing rates differs from that used by the commission, but Acting Premier Oscar Drouin declared that after having had the new scale examined by engineers of his department, concluded that the new rates are equivalent to those recommended by the commission.

It is understood the increase in domestic consumption, together with the reopening of the Murray Bay mill, will do much to offset the loss in revenue to Quebec Power Co.



NEW ISLAND HOME

News has come from Bermuda that R. S. McLaughlin, of Oshawa, General Motors of Canada head, has purchased the 10-acre estate of the late Senator Nathaniel Curry, called Cedar Lodge. Mr. McLaughlin plans to remodel the house to suit the requirements of himself and his family. He intends to occupy it later in the winter. A picture of the house is shown above with an inset of Mr. McLaughlin.

Another leading Canadian to feature in the "winter estate" news this week is Harry Oakes who has started construction of a pretentious home on his 1,000-acre estate at Nassau.

Railway Wage Probe Begins

Arbitration Board Starts Hearing — 100,000 Men Affected

From Our Own Correspondent

MONTREAL.—Board of conciliation and investigation on railway wages, comprising Mr. Justice A. K. MacLean, Fred Bancroft, and W. Sanford Evans, has begun its enquiries.

The dispute between the men and the railway companies arose out of a request from the employees for removal of the present 10% deduction from their basic wage rate.

In 1931 when the railways first proposed a 10% deduction as a necessary retrenchment in the face of falling traffic receipts, only engineers, trainmen and railway telegraphers were involved in the proceedings of the Board. Following a majority recommendation, favoring the railways' proposal, agreements were reached with all classes of employees to accept the 10% deduction.

Two Readjustments

This deduction continued until 1933 when further declines in railway revenues occasioned a further reduction in the basic rate of 5%. This basis continued by agreement until reduced by agreement to 12% January 1, 1935, and to 10% May 1, 1935.

When this agreement was made it was understood either the employees or the railways could give 30 days notice of their desire to change the percentage of deduction after July 1, 1935. The employees later in 1935 requested that consideration be given to the manner of changing the deduction, but the railways were not agreeable to such a proposal.

In March this year, employees gave the 30 days notice required under the agreement of their desire to change the percentage of deduction, and the railways adhering to their previously stated position, the employees applied for a board of conciliation and investigation.

Hamilton By-Products Grants Wage Increase

Employees of Hamilton By-Products Coke Ovens Ltd. have been awarded increases ranging up to five cents an hour by the board of conciliation, according to an announcement made by Hon. Norman Rogers, Minister of Labor. The award has been agreed to by both the company and its employees.

Members of the International Union of Operating Engineers, relief switchmen and firemen, receive five cents an hour increase, and plant oilers four cents.

The announcement by the minister states that the agreement also provides for formation of a grievance committee. Each party undertakes not to discriminate against the other.

The agreement is to be effective for two years as from Oct. 1, unless either party notifies the other at least 30 days before Oct. 30 next of intention to end it.

New Westminster Tonnage

Cargo tonnage through the Port of New Westminster was 25% higher in the first nine months of 1936. Tonnage crossed the 700,000 mark almost equal to entire loadings for 1935. It is expected the year's total will reach the million mark compared with a previous high (1934) of 804,000.

Foreign Publications Now Flooding Canada

Since Last January Circulations of U. S. Papers Rise 22 p.c. to New High

Rising swiftly ever since January last, the tide of U. S. publications released into Canada by the King Government has swept to new all-time high levels. The June, 1936, Canadian circulation figures for leading American magazines show a total of 1,763,905 per issue, passing the previous peak of pre-tariff days. This peak was reached in Dec., 1930, when the average circulation per issue was 1,732,455.

Within the six-month period, Dec., 1935, to June of this year, the 72 foreign publications listed in the table below have added 22% to their Canadian circulations.

What Figures Mean

Discussing this growth in circulations of foreign periodicals in Canada, T. A. Fleming, editor of Canadian Advertising, says in his current issue:

"These are the bare facts—now look at the repercussions. What does this growth mean to Canada—to the advertiser in this country and to the Canadian publisher?

"First and foremost it means that the Canadian reading public is being subjected—and will be subjected increasingly—to a powerful infiltration of American ideals and standards.

"With all due respect to a great and friendly neighbor, the ways of the United States in many matters are not our ways. Canada has been struggling to build a culture of its own, with institutions based on British, not American, concepts. Magazines are a powerful factor in molding the habits and standards of a people; and slowly and inexorably the growing volume of United States circulations will have its effects on the outlook of Canadians on economic, political and social questions—a situation which thinking people in this country will deplore.

Further Gains Seen

"And the tide of foreign circulation has not yet reached its maximum. Some United States publishers have not had time to reorganize their circulation staffs fully to build Canadian sales. When they do, further substantial gains are inevitable.

"Consider the position of the Canadian advertiser. His Government permits the entry of a flood of advertising for competitive foreign products free. If an advertiser is the Canadian branch of an American firm wishing to use the same advertising as his head office, to appear in Canadian publications produced by Canadians on Canadian paper, he must pay duty, excise and sales taxes on the halftone plates. He must also pay charges on a proportion of the preparatory costs of these plates. And all the time the advertising of his United States head office, bound in American magazines, crosses the border unburdened by such taxes."

Definite Advantages

Mr. Fleming concludes his survey with the statement that "United States publishers have been given a definite and heavy advantage over Canadian magazine houses in the comparative costs of doing business in this country."

In the following table only the leading United States magazines that are members of the Audit Bureau of Circulations are shown. There are scores of other U. S. publications, many regarded as of questionable character, whose circulation figures are not available.

The circulations per issue are given as of the previous, pre-tariff peak, as of the low point and as of the latest date for which figures are available:

	Dec., 1930	Dec., 1933	June, 1936
American Home	3,183	2,388	11,842
American	39,463	11,760	15,152
Atlantic Monthly	4,004	2,375	2,641
Better Homes & G.	6,853	562	6,753
Blue Book	14,349	8,316	7,258
Boys' Life	953	1,022	1,368
Business Week.	4,350	2,623	3,119
Butterick Fashion Mag.	22,453	18,414	8,123
Child Life	3,146	1,272	1,796
Colliers	75,633	21,311	28,103
Cosmopolitan .	59,283	38,171	39,950
Current History	1,930	1,655	1,904
Delineator	103,313	54,745	53,091
Esquire	....	....	28,503
Field and Stream	3,013	1,666	2,547
Fortune	426	921	2,669
Good Housekeeping	65,824	44,864	52,243
Harper's Bazaar	2,105	1,863	2,826
Hollywood	6,040	7,324	18,825
Home Arts Needlecraft ..	25,852	6,538	3,523
House & Garden	3,809	1,406	1,671
Judge	4,676	2,244	2,245
Junior League Mag.	784	1,209	1,251
Kiwanis	5,093	4,435	N/R
Ladies' Home Journal	96,862	35,218	57,566
Liberty	102,280	175,789	226,268
Life	5,054	3,914	2,985
Literary Digest	38,168	4,303	2,310
Love and Romance	11,567	8,057	12,505
Master Detective	....	11,531	14,469
McCall Fashion Book	....	10,563	9,342
McCalls	145,942	82,763	89,248
Modern Mechanic ...	....	7,062	11,266
Modern Romances ...	....	....	21,784
Modern Screen	....	27,991	29,224
Motion Picture.	....	....	10,200
Movie Classic ..	....	....	9,605
Movie Mirror ..	....	....	11,331
Munsey Publication ..	19,036	33,516	30,357
National Geographic ..	57,165	35,140	41,683
New Yorker ...	961	973	1,633
Our Sunday Visitor	....	6,082	8,360
Outdoor Life ..	1,879	1,039	5,527
Photoplay	33,865	9,237	10,078
Physical Culture	10,887	7,319	11,411
Pictorial Review	178,918	79,917	142,885
Picture Play ..	15,961	23,379	11,635
Popular Mechanics ...	38,039	16,508	20,550
Popular Publications .	....	....	56,659
Popular Science	12,624	13,840	14,291
Radio Guide ..	....	3,269	16,575
Radio News ...	6,336	3,243	2,327
Radio Stars ...	....	6,913	6,538
Real Detective.	....	5,989	4,858
Redbook	54,532	20,789	25,170
Review of Reviews	1,824	797	877
Rotarian	6,698	6,283	7,020
Sat. Evening Post	103,430	55,463	108,413
Screen Book ..	10,353	8,383	6,868
Screenland	10,954	13,298	11,007
Screen Play ...	10,598	6,896	6,758
Screen Romances ...	....	15,457	15,389
Silver Screen ..	....	20,898	24,544
Sports Afield ..	....	1,169	1,608
Street & Smith Comb.	53,509	75,821	109,530
Time	2,552	2,769	8,232
Time Detective Mys.	21,199	20,336	28,019
True Experiences .	7,393	11,114	17,217
True Romances	20,245	14,895	23,472
True Story	110,573	89,459	134,719
Vogue	6,155	3,077	5,073
Vogue Pattern Book	7,441	3,892	3,017
Women's H. Companion ..	72,690	24,629	26,977
	1,732,455	1,246,283	1,763,905

Only Industry So Treated

Canadian periodical publishers point to the fact that there is no other industry in Canada subjected to such competition where the imported product comes in duty-free and tax-free, while the domestic product pays duties and sales taxes on a wide range of raw materials.

Gt. Lakes Paper To Call Meeting

Bondholders of Great Lakes Paper Co. are to be notified in a few days of a meeting to be held at Toronto in the last week of December for consultation in regard to making some major improvements to the property and also dealing with the question of bond interest.

The bond coupon due Oct. 1, 1936, was not paid, and the question of payments is temporarily in abeyance. The company is understood to be earning the interest, however.

New Brunswick Power Fights to Hold Franchise

From Our Own Correspondent

MONTREAL.—New Brunswick Power Co. has taken legal action to prevent the Maritime Transit Ltd. from operating buses through the streets of Saint John and Lancaster.

Maritime Transit was granted a franchise by the Saint John city council last summer, but this was later rescinded. However, the company has gone ahead and operated buses, and the New Brunswick Power Co. has made application to the Chief Justice for an injunction restraining the Maritime Transit from operating in the city.

Proposes Tax On Utilities In Toronto

Laidlaw Advocates Survey of Civic Services by Expert

FEARS HIGHER TAXES

In appealing for public support of his candidature for the Toronto mayoralty in 1937. Ald. John B. Laidlaw is advocating the immediate appointment of an expert to make a survey of city services to see if they are administered in the most efficient and economic manner.

Pointing out that the city is faced with a tax rate of 36 mills in 1937 and an even higher rate in 1938 unless expenditures are reduced or new sources of revenue secured, Mr. Laidlaw suggests a redistribution of the tax load so as to relieve real estate of some of its present burden.

In this connection he hopes to make effective some of the recommendations made to the city council this year by the special committee on assessment and taxation of which he was chairman. The most important suggestion of this committee was a proposal to tax public utilities such as the Toronto Hydro and the Toronto Transportation Commission.

Should Tax Public Utilities

In support of his contention that the Toronto Hydro should be taxed, Mr. Laidlaw points out that the hydro system competes with the Consumers' Gas Co. which pays taxes. Thus, the user of gas is not only contributing to the tax revenue of the city but, through his real estate, is bonusing the user of electricity.

When a municipality grants tax exemption to an industrial concern, the exemption applies to general taxes only and not to school taxes. The Toronto Hydro-Electric System and the Toronto Transportation Commission, however, pay no school taxes although the children of their employees are educated in city schools. This exemption, Mr. Laidlaw contends, is one of the reasons for high school taxes in Toronto.

Mr. Laidlaw, who is a life long resident of Toronto, has been a member of the city council for three years. For over 30 years he was manager for Canada and Newfoundland of the Norwich Union Fire Insurance Society of Norwich, England, and at present is a Canadian director of the society. He was twice president of Canadian Fire Underwriters Association. He is a past president of the Automobile Underwriters Association and the Casualty Underwriters Association and the Insurance Institute of Toronto of which he was one of the founders. He is a member of the Canadian, Empire, Royal Canadian Yacht, National, Toronto Skating and Toronto Golf Clubs.

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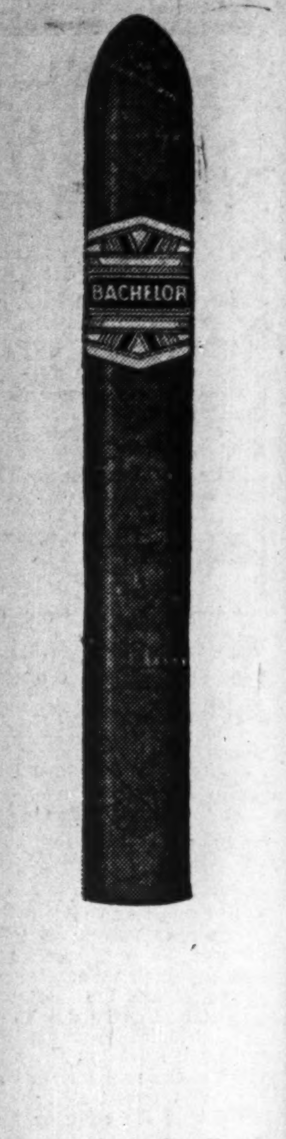

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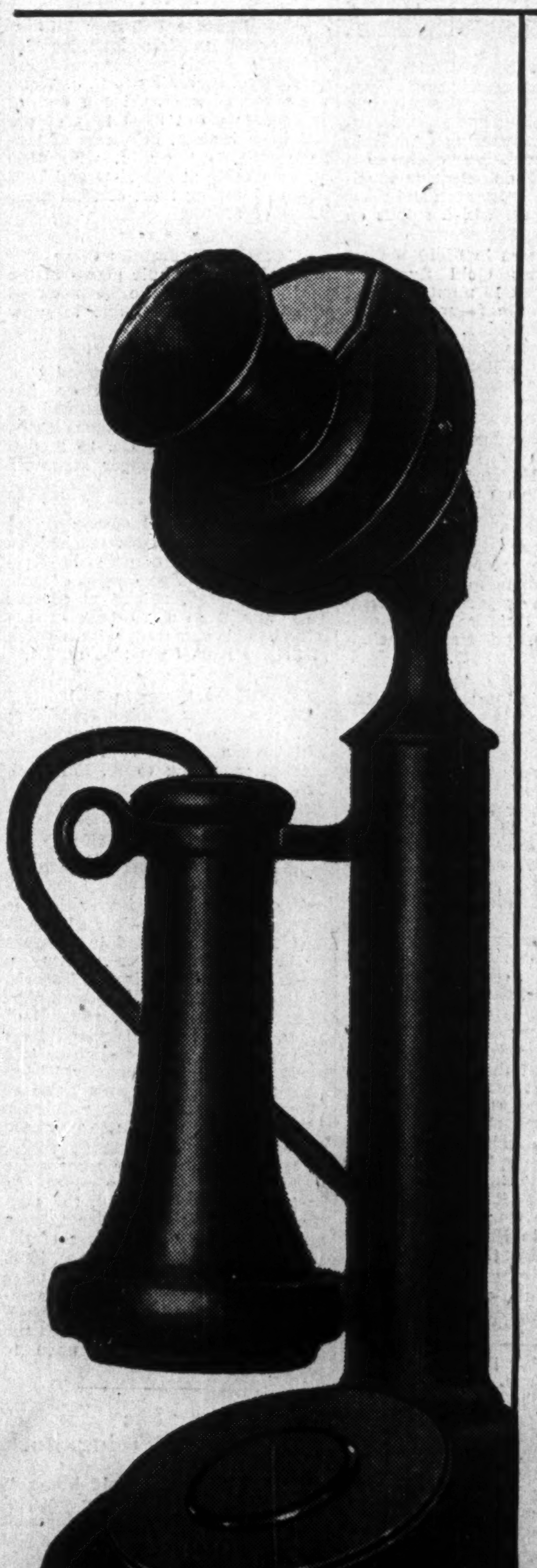

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Build Business with LONG DISTANCE!

Huge Power Development Looms in Ontario (Page 11)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

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The Nation's Business

The Problem of Western Debts

Should Come First on Ottawa Agenda

Need Is Urgent

The Human Factor in Mergers

Who Is Responsible for Employees?

Why Is Debt Problem Left Off Ottawa Agenda?

ONE of the most pressing problems of public finance in Canada can be simply stated: it is to find a practical way by which the benefits of the low interest rates, now prevailing throughout the world, can be made available to all of our public borrowers—and especially the provinces and municipalities of western Canada.

Urgent as this problem is, it has not been put on the agenda for discussion at next week's Ottawa conference of Dominion and provincial treasurers and officials. The matter may be discussed under some more general heading, but there is no assurance of that.

This is most unfortunate. The recent arbitrary and unjust legislation in Alberta, in regard both to private debts and to the interest rate on provincial bonds, shows how irresponsible governments deal with such matters when stronger and saner governments evade them; when they permit public discontent to grow into bitter resentment against injustice, real or fancied.

* * *

IN A recent editorial, The Financial Post urged that a loan council or some similar plan be adopted to deal with the problem of western public debts. A number of prairie newspapers have written editorials commending The Post and welcoming its "belated" support in this matter. There is nothing belated in The Post's view that western reconstruction requires the stimulus of lower interest rates on public debts. The Post has been urging for years that this problem be tackled. It considers such a policy to be particularly urgent at this time because public discontent over the heavy carrying charges on provincial and municipal debts is growing in the four western provinces. If the feeling of injustice is not removed, there is a danger that radical and irresponsible governments will take control in the provinces other than Alberta and do what Alberta has done.

Surely there is a lesson in the facts of Alberta's excesses. The lesson is that embittered people will support dishonest and almost revolutionary policies if they do not feel that simple justice is offered to them in sounder policies.

If the western provinces are not put in a position to enjoy lower interest rates through an orderly plan of debt refunding, then governments are very likely to come into power that will obtain lower interest rates by disorderly methods.

* * *

THE chief difficulty in working out any plan seems to be the unwillingness of any of the provinces to surrender so much as a shred of their financial autonomy in exchange for the Dominion or loan council guarantee that would enable them to consolidate their whole provincial debt structure at lower rates of interest and assist their municipalities to achieve the same end. In fact it was Mr. Aberhart's swashbuckling independence last winter that made it impossible for Ottawa to aid the people of his province.

How much control the provinces ought to be willing to accept is not an easy problem to work out. But it would be possible to devise a loan council scheme in which the provinces themselves had a large measure of control. Thus the control would not be arbitrary, autocratic and imposed from outside, but would be co-operative and voluntarily accepted.

The Dominion Minister of Finance attempted to set up a series of loan councils to extend a Dominion guarantee to a refunding operation for any province desiring to offer its bondholders lower interest rates in return for better security. The plan fell through on constitutional and political grounds. There is reason to believe that the objections were more political than constitutional.

* * *

THE FINANCIAL POST has not attempted to present in detail the outline of a scheme of refunding for western debts. There is an infinite variety of plans which could be worked out successfully. The objective is clear; to lower the interest burdens of the western governments as the interest burdens of the Dominion and of eastern provinces and cities have been lowered. It should not be beyond the ability of statesmen to work out and agree upon the details of whatever plan is necessary.

The plan, however, cannot come to early fruition if the subject is left entirely off the agenda of the most important public finance conference of the year.

* *

Mergers and Workers

INCIDENTAL to the merging of two great newspapers recently there has come to the fore a major

(Continued on page 2, col. 4)

B. A. Gross Revenue Exceeds $2 a Share On U.S. Production

All Additional to Canadian Earnings of $1.10 a Share in '35

BONUS DECLARED

British American Oil Co. stands to obtain annual revenue of over $5 millions annually, or more than $2 a share on the common stock, from its production of crude oil in the United States, The Financial Post is informed. This would be in addition to the earnings in Canada from which the regular dividends of 80 cents a share annually have been paid.

The wholly-owned subsidiary, The British American Oil Producing Co., is now obtaining revenues at this large rate. And notwithstanding the reduced percentage of allowable production in effect at present as against early in the year, additional wells, which have been drilled and brought into production, will at least maintain the above-mentioned large yield throughout the year 1937.

Moreover, B. A. Oil Co.'s last annual statement showed that revenues of the wholly-owned subsidiaries were not included in the parent company's accounts, except for interest paid for loans.

Recent reports that the anticipated bonus for the year 1936 would not be paid were erroneous, as announcement has just been made of the declaration of the regular 20-cent dividend plus a bonus of 20 cents per share, payable to shareholders of record Dec. 15.

Big U. S. Revenues

The most definite indication yet given of B. A. Oil's revenue from production of crude oil in the United States is contained in a recent report from British American Oil Producing Co. It is stated that net daily production from all fields is now 12,000 bbls., an increase of 700% in the past 12 months.

The significance of this to earnings is calculated by The Financial Post as follows: 12,000 bbls. daily, for 350 days, amounts to 4,200,000 bbls. At $1 a barrel this means revenue of $4.2 millions. Actually this production would take place 365 days of the year and the current price of crude oil in mid-continent fields is approximately $1.15 a barrel.

There has been no serious marketing problem because of increasing demand for crude oil.

The importance of this U. S. revenue is indicated by the earnings reported to total $2,884,676 last year from Canadian operations. This was equivalent to $1.10 a share on the 2,622,642 common shares, and compares with $1.05 a share in 1934 and $1.01 a share in 1933. The recent announcement that earnings in Canada have been lower in 1936 than in 1935 was qualified with the comment that the decline would be more than offset by greater than anticipated U. S. income.

Pays for Development

Part of this huge revenue should be regarded, of course, as a return of capital, since the income is from wasting assets. Also, it may be debatable as to whether all of this will be net profit and whether some further allowance should be made for operating and development expenses. It is understood, however, that the company has paid out of revenue for all development expenses in the United States.

In Sept., 1936, production from B. A. oil wells in the Oklahoma City field was some 378,000 bbls., compared with 8,992 bbls. in the 1935 month. Daily net production in the Oklahoma field is running 10,750 bbls. from 56 wells. The remaining 1,250 bbls. daily come from wells in Texas, Kansas and Montana.

The producing company has deposited a bond for $1 million with the Oklahoma courts in connection with the lawsuit involving the company's Piersol and Russell leases which constitute only 30 acres out of a total of 285 acres in which the company has interests in the Oklahoma City "Mansion Area" field. The amount deposited is sufficient to pay any possible loss in the suit.

U. S. Oil Situation

At Nov. 14, U. S. stocks of crude oil were slightly below 290 million barrels. This is the lowest level for years and is indicative of strong domestic and foreign demand for crude.

In Texas, the Railroad Commission is allowing about 10% greater production for December than for November. If Oklahoma authorities were to allow increased production, it would add to the revenues of British American Oil Producing Co.

There have been unconfirmed reports that the price of crude oil in U. S. mid-continent fields may be raised about 10 or 15 cents a barrel from the present level of $1.15. This also would improve revenues of the B. A. Oil producing subsidiary. However, if production increases are allowed, it is suggested by close observers of the American oil trade that higher prices would be unnecessary.

BANKS BACK

Charles A. Banks, managing director of Bulolo Gold Dredging Ltd., of New Guinea fame, has been back in his native haunts on the Pacific Coast, where he first conceived the idea of using dredges to recover gold from river gravel. His name is linked with the fascinating story of the New Guinea operation, a story which is told on page 19.

Payroll Tax Hits All Firms With Employees in U. S. A.

Thousands of Canadians in all parts of the United States are this week filling out small registration cards which they hope will some day bring them an old-age annuity or pension.

Cards were first sent to employers a month ago and had to be returned to Washington by Nov. 21. These cards merely provided registration of the employer and paved the way for the individual employee registration cards now being distributed and which must be returned by Dec. 5.

Affects Every Employer

Every Canadian firm and organization which has any employees in the United States is concerned with this new social security plan. And it must be distinguished from the unemployment insurance registration which has been going on for some time and which is governed by a combination of state and federal effort.

In most states the regulation regarding unemployment insurance registration is that the employer must have a minimum of seven or eight employees to be included in the plan. Thus any Canadian who employs more than seven or eight persons is eligible also to pay the 1% jobless insurance contribution required by all employers—a payment that is made either to the state (if a plan is in force) or to the Federal Government. The plan will operate officially on Jan. 1, 1937, and preliminary work has been under way for many months.

Pension Scheme Details

But quite apart from this unemployment insurance plan, attention of Canadians who have offices or organizations in the U. S. is for the time being focused directly on the old age pension scheme. This calls for a graded contribution from both employers and employees. For the first three years (1937-38-39) the rate is 1% for both the employer and the employee. From 1940-42 the rate rises to 1½%; thence for the next three years to 2%—finally reaching the maximum contribution of 3% for each party in 1949.

The only persons exempt from this are certain specified occupations such as farmers, domestic servants, seamen, federal employees, bank employees, professional and independent workers. The limit of coverage is $3,000 but all those receiving more than $3,000 are required to make a contribution on the first $3,000 of their income. The deciding factor is residence in the United States. That is, any person resident in the U. S. is included in the plan whether he or she is an alien or not. Unlike the unemployment insurance scheme, the plan includes both those on salary and on commission.

At the moment the important thing for Canadian employers is to realize that both they and their employees are eligible for this "payroll tax" for any employees they may have in any part of the United States—unless these employees come under the few groups who are exempt. And the deadline for individual employee registration is Dec. 5.

The deadline for employer registration was Nov. 21.

Dominion Textile Restores Mill Wages to 1933 Level

Dominion Textile Co., Montreal, announces wage increases ranging up to 7% effective Dec. 7. The increases mean addition of some $250,000 annually to payrolls, if mills can be operated at capacity to give full employment. The increases restore wages generally in the mills to the levels prevailing at April 10, 1933.

General improvement in conditions as reflected in orders on hand is given as the underlying reason for the increases in wages.

Commercial Possibilities Are Probed By New Laboratory and Road Tests Of Famed Pogue "Mystery" Carbureter

Device Is Still in Experimental Stage and Has Yet To Be Proved Feasible for Use in Ordinary Passenger Automobiles

OTHER POGUE INVENTIONS TO BE DEVELOPED WHEN CARBURETER'S MERITS ARE CONFIRMED

By THOMAS C. THOMPSON

First newspaper to reveal the sensational nature of secret Ontario tests of the now-famous Pogue carburetor last week, The Financial Post was also first to warn hordes of would-be investors in the invention that:

(1) The Pogue carbureter has not yet been proved a commercial success at its present stage of development.

(2) Neither has it been proved a failure.

Charles Nelson Pogue's "mystery" carbureter, on which he has spent $35,000, on which his original backer, W. J. Holmes, Winnipeg rink magnate, has spent $115,000, and which is now backed by the millions of John E. Hammell, noted mining man, is still in the experimental phase so far as its commercial possibilities are concerned.

Its sponsors and those closely associated with tests of the carbureter over a period of months continue to claim it will enable an automobile to travel 200 miles or more on a gallon of ordinary gasoline. Suggestions that more mileage than this is possible do not meet with denial from those intimately connected with the tests.

To those who scoff at the carbureter and its possibilities, the reply of Charles Pogue is merely the question, mildly spoken:

"And what do they know of my carbureter when they have not even seen it?"

To those who ask John E. Hammell if he believes the invention will become a success, the answer, less mildly spoken, is:

"I don't know, but I'm going to find out. I'm not kidding myself but I know that radio, the airplane and every other big inventive achievement in the past has been knocked by those who were not big enough to see its possibilities and find out if they were practical."

Has Other Inventions

Pogue is confident of success. He has spent most of his life in inventive effort. He has developed advanced designs of railroad equipment, road-scraping machinery and a score of other devices which have never received the backing of big business.

If his carbureter succeeds, Jack Hammell's money will be behind a dozen more Pogue inventions.

At present it remains to be proved feasible from the standpoint of engineering and design and to the point where any car can be serviced with Pogue carbureter equipment. After that it must still be proved practical from the standpoint of commerce as an article that can be manufactured and marketed at a profit.

Secret laboratory and road tests of the invention, in Ontario, first revealed by The Financial Post, are continuing. These involve only the use of Pogue's own carbureters to date, since new carbureters of more advanced design but embodying the same principle, have not yet been completed to the point where they can be installed for road tests. Engineers associated with John E. Hammell, are completing refinements on the new carbureters which

(Continued on page 2, col. 2)

Keen Eyes Guard Approach To Secret Test Laboratory

Screened from the public view behind a grove of trees, in the second floor of a building within a hundred yards of a main Ontario highway, is the secret laboratory in which tests of the Pogue carbureter are being made day and night.

A stranger has no inkling of its significance. It is possible to approach within twenty yards before any indication is given that the visitor's movements are being watched. At that point a door opens and a young, husky but pleasant mannered man saunters forward. He is dressed as a mechanic or gardener, and there is nothing in his manner to suggest anything else.

"Is Mr. Pogue here?" The Financial Post asked.

"No," was the reply. "He's going to Winnipeg tonight and he's not around today." There is no attempt to evade legitimate enquiries, but there is an air about the building and its surroundings that bodes no good for those who might have business of another kind.

Courteous, but blandly non-communicative, the men charged with keeping secrecy surrounding the tests are on the job every moment.

As The Financial Post approached the laboratory, the first visible sign of the test efforts was a group of half a dozen automobiles, some covered with tarpaulin, and others parked in the area of the building. No one can get close enough to those cars to see what they contain under the hoods, but during The Financial Post's visit two cars were driven away, apparently for road testing, but not until the writer was a reasonably long distance away.

Leaves on Truck

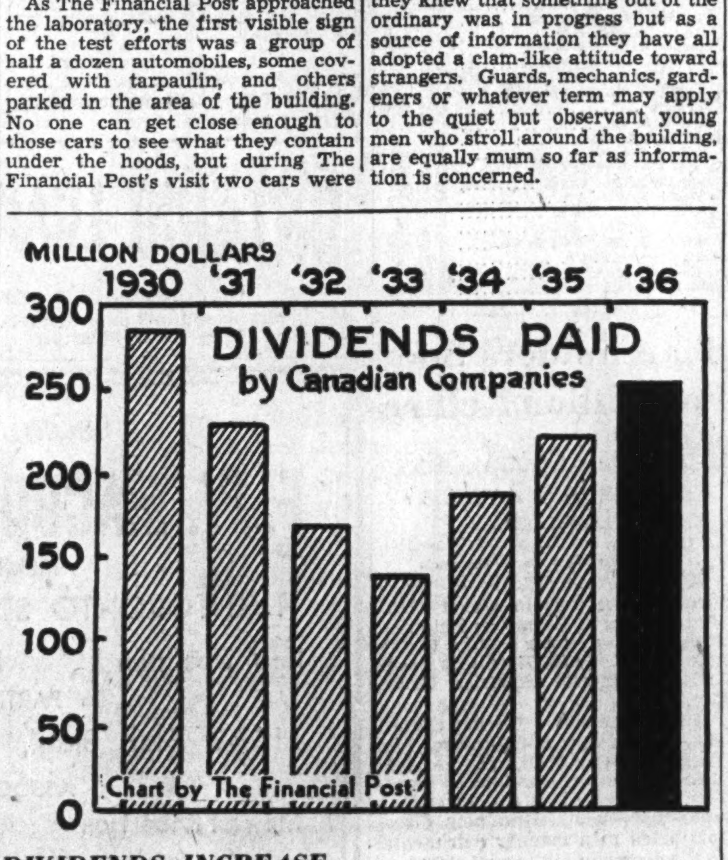
Ahead was a light truck containing an ordinary wooden packing case on the open carrier section of the vehicle. The box was approximately the same size as the Pogue carbureter at its present stage of development—a cumbersome, hand-made piece of mechanism, of a size that would appear more suitable for tractor installation than for use in the ordinary light passenger car.

Behind the truck as it swung on to the highway was a Ford V8 coupe, but visitors were not given the slightest chance to view either car closely. Both cars waited until traffic was fairly clear on the highway and then shot from the side-road.

Work at Night

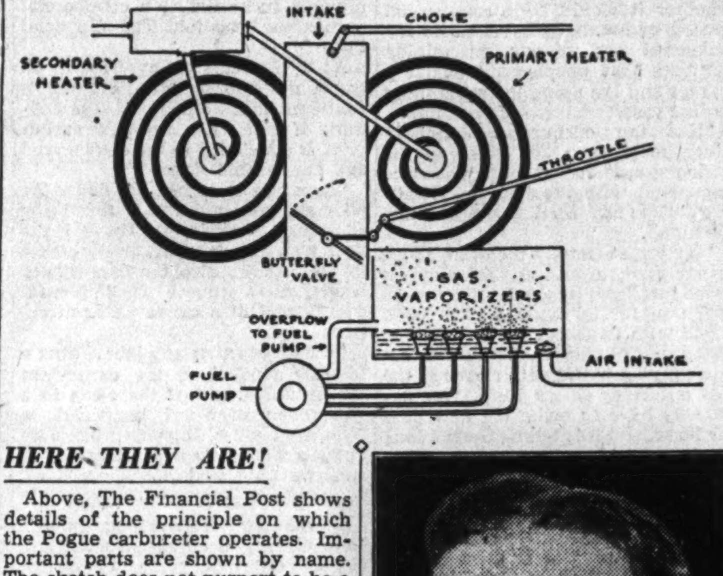
Lights burn in the second floor of the laboratory at night, and in conversation with persons living in the area The Financial Post learned that work goes on without interruption.

But residents of the area, too, are silent under questioning. They have seen armed guards, and weeks ago they knew that something out of the ordinary was in progress but as a source of information they have all adopted a clam-like attitude toward strangers. Guards, mechanics, gardeners or whatever term may apply to the quiet but observant young men who stroll around the building, are equally mum so far as information is concerned.



DIVIDENDS INCREASE

Indicative of returning prosperity, dividends of Canadian corporations in 1936 will be higher than in any other year with the exception of 1930, according to a compilation by The Financial Post. Total declarations and payments to date total $250.8 millions, an increase of $28.7 millions over 1935. Compared with 1933, the low year of the depression, the increase is $116 millions. Details appear on page 5.



HERE THEY ARE!

Above, The Financial Post shows details of the principle on which the Pogue carbureter operates. Important parts are shown by name. The sketch does not purport to be a complete plan and merely shows the method by which gasoline is pumped from the tank into a chamber where it is sprayed in fine jets, the vapor rising into the primary heating unit, pumped into the secondary heating units for further vaporization and treated during the process to vaporize the gasoline to its fullest extent.

Unvaporized gasoline is carried back through a channel to the fuel pump where it is once more taken through the vaporization process, basic principle of the Pogue invention. The sketch is a composite one, prepared on the basis of the general design and outline of earlier Pogue carbureters and from information reaching The Financial Post regarding recent improvements that have been made. Essential to its successful operation, The Financial Post understands, are mechanisms by which gasoline is fed through the carbureter in a much slower process than those now in use. In the ordinary carbureter the principle is that of drawing in gasoline, spraying it by means of a needle valve and mixing it with air to form a combustible vapor.

A picture of Pogue is shown at the right.

C. N. POGUE

Post Leads Way In Pogue Tests

Twenty-four hours after last week's Financial Post carried on its front page the sensational story of the new Pogue carbureter other newspapers pricked up their ears and began to publish major stories. Wellington Jeffers, writing in The Globe and Mail, Toronto, on Friday, sounded a cautious note of reassurance to investors. The following day, Saturday, another Toronto newspaper emphasized the possible world repercussions of the Pogue tests. In a "copyright" front page story, The Toronto Star published an article almost identical in its facts with those of The Financial Post three days earlier.

Then came The Evening Telegram with a front page feature story by Norman Albert, mining editor of the paper and published Monday. On Tuesday The Toronto Star again "followed" with an interview with John E. Hammell.

The Financial Post expresses no view of the ultimate success or failure of the Pogue carbureter. The secret tests were news.

Dom.-Scottish Plans to Issue 15-Year Bonds

Preference Shares May be Exchanged for 4% Bonds

Issuance of $750,000 of first collateral trust 15-year 4% bonds is planned by Dominion Scottish Investments Ltd.

Under a plan of arrangement, which is to be submitted to shareholders at a meeting on Jan. 4, 1937, holders of units of one preference share and one common share are to be given the opportunity of exchanging their preference shares into first collateral trust bonds on the basis of $100 of bonds for every two preference shares. Unit holders making the exchange will be obligated to sell to the Royal Trust Co. as depositary the corresponding number of common shares at a price of $1 a share.

Holders of preference shares not surrendering their holdings for exchange may increase their equity in the trust by acquiring further common shares at a price of $1 a share on the basis of one common share for each preference share held.

Bonds Underwritten

The offering to unit holders is to expire Jan. 20, 1937, and is limited to issuance of $750,000 of bonds. In the event that the number of preference shares surrendered for exchange exceeds $750,000, the participation in the plan will be allotted on a pro rata basis. The exchange is entirely optional.

Subject to shareholders' approval of the plan, Cochran, Murray & Hay, Toronto investment firm, have agreed to underwrite any portion of the $750,000 of bonds not taken up in exchange for preference shares. These bonds are to be sold to the underwriters at a price not less than $95 for each $100 of principal.

Report Foundation Locates Crude Oil

Reports reaching Toronto at press time stated that Foundation Petroleum, drilling in the southwestern section of Turner Valley, had come in with a strong flow of from 1,200 to 1,800 barrels of good quality crude per day.

The Foundation development will extend this crude oil area one mile to the south, and has important implications for Calgary & Edmonton Corp., which owns large acreage on the west flank of the valley.

Riverside "A" Pays

Riverside Silk Mills Ltd. has declared a regular quarterly dividend of 50 cents a share plus an extra on account of arrears, of $1.75 a share, on the A stock. Both dividends are payable Jan. 2 to shareholders of record Dec. 15. This payment of $1.75 will clear all arrears of dividends on the stock.

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Both Railways, Richardson in New Airline

Railways Will Each Control 37½ Per Cent of Stock

$5 MILLIONS CAPITAL

From Our Own Correspondent

OTTAWA.—A sub committee of the cabinet is working out the details of the semi-governmental aviation company which is to be given exclusive rights to fly the mail and passenger service from Atlantic to Pacific, with the main feeder lines linking up with the United States, the service to begin with a Winnipeg-Vancouver schedule next Dominion Day.

The new company, which will be incorporated in a few days, will be called TransCanada Airways Limited.

Three Shareholders

Allocation of the shares of the new company, allowing, of course, for a possible last minute alteration, will be as follows:

Canadian Pacific Railway 37½%
Canadian National Railways 37½%
James Richardson interests 25%

The new company will be capitalized at $5,000,000, it is expected.

Existing aviation companies, such as Colonial Airways, Canadian Airways, Wings, etc., will continue as now to serve the public in the northern routes and between centres not on the TransCanada or subsidiary routes.

Lobbyists on Job

There has been prolonged and vigorous lobbying on the part of the major aviation companies, and of other interests prepared to enter the field. The Government's tentative plans have been altered several times. While the sub committee has not yet endorsed the above set-up for final submission to the cabinet, there appears to be every prospect that it will stand.

At one stage, owing to the intensive drive on the part of private companies to get into the picture in some way, there was serious consideration given to handing the route over completely to the two railway companies, and thus eliminate any jealousy or recrimination which might develop when a choice had to be made between the competing private companies. This might still happen.

Foresaw Criticism

But it was brought out in later discussion that to hand over such an important new transportation route to companies with extremely heavy investments in other types of passenger and mail service would be a subject of bitter criticism from many quarters and would probably not be fair to the new development, no matter how justly it was treated by the railway companies.

At another time it was reported that in addition to its interest through the Canadian National Railways, the Dominion Government would take up a block of the shares. There is in the cabinet a strong element opposed to Government interference in private business beyond what is indicated as essential for the well-being of the public, and this element has apparently prevailed.

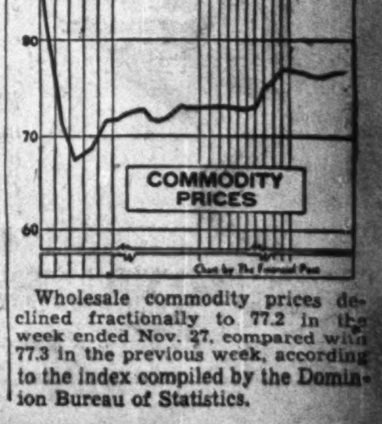
Millions Already Spent

The Government's financial investment in the TransCanada route will in any event be greater—for a long time at least—than that of the operating company. The Dominion has already invested $6,500,000 in air fields, and contemplates further expenditures of $1,500,000. In addition to the capital cost, there will be annual maintenance and service costs running into a substantial figure.

The service thus starts out as one that has cost the Dominion considerable, and the authorities here feel that they have every right to say who is to run the mail and passenger service across Canada.

As the pioneer of commercial aviation on an important scale, James Richardson, of Winnipeg, associated as he is with an important Canadian aviation company and in possession of much valuable experience of aviation services, was regarded by the Government as the logical man to come into the picture with the two railway companies.

The Government feels that its contemplated company will protect the public in a number of important details. The new service will be launched with exceptionally strong financial backing, and will be operated by men who know every angle of the transportation problem. The public will expect fast, safe planes, courtesy and service. The Government believes the new company will be equipped to meet these requirements.



Wholesale commodity prices declined fractionally to 77.2 in the week ended Nov. 27, compared with 77.3 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.